



COUNTY OF LINN, IOWA

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2004

COUNTY OF LINN, IOWA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

PREPARED BY OFFICE OF FINANCE AND BUDGET

COUNTY OF LINN, IOWA

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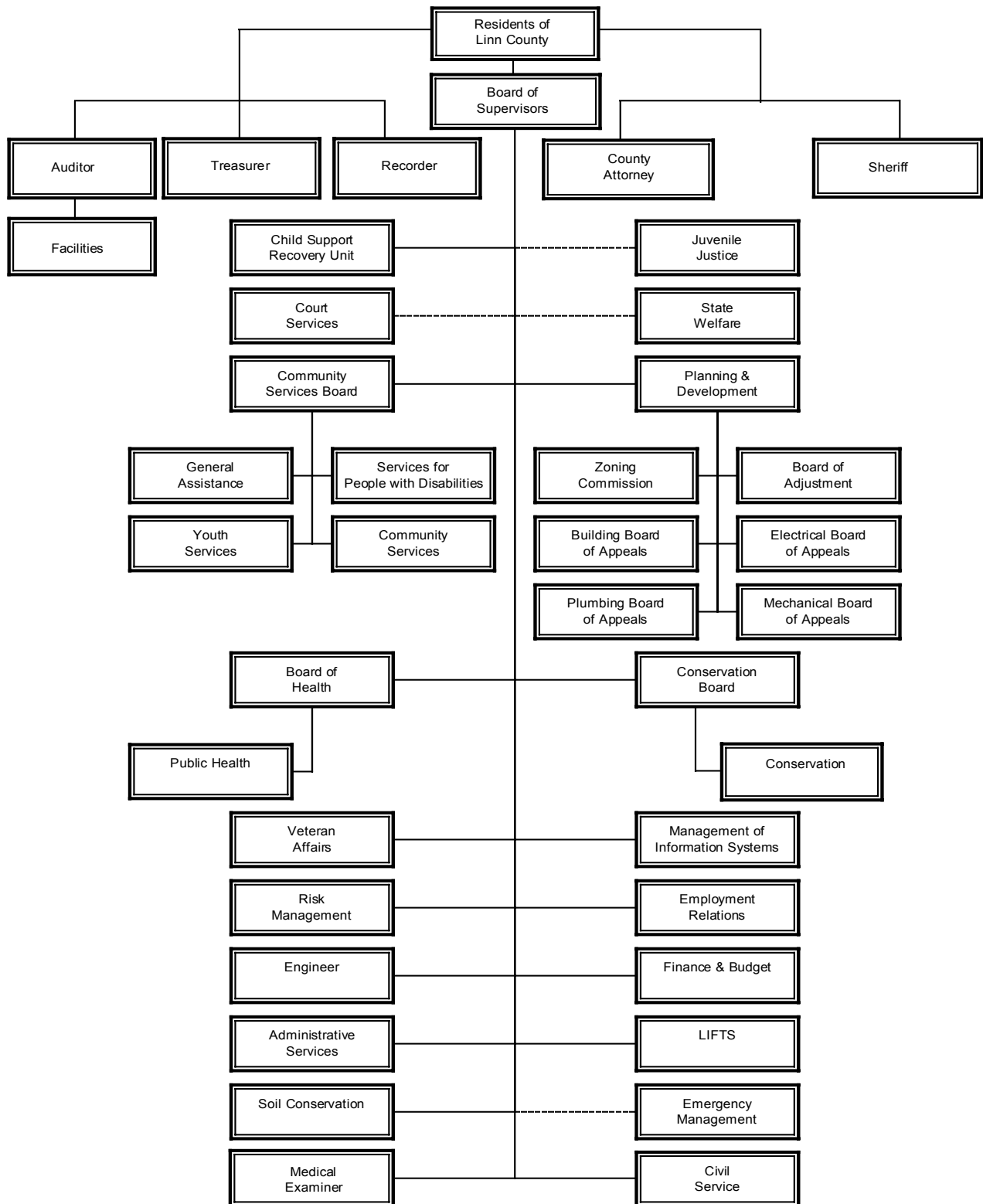
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INTRODUCTORY SECTION

COUNTY OF LINN, IOWA

COUNTY OFFICIALS

<u>NAME</u>	<u>TITLE</u>	<u>TERM EXPIRES</u>
Lu Barron	Board of Supervisors	2004
James Houser	Board of Supervisors	2004
Linda Langston	Board of Supervisors	2006
Harold Denton	Attorney	2006
Linda Langenberg	Auditor	2004
Joan McCalmant	Recorder	2006
Donald Zeller	Sheriff	2004
Michael Stevenson	Treasurer	2006





FINANCE & BUDGET

COUNTY OF LINN, IOWA

Administrative Office Building
930 First Street Southwest, Cedar Rapids, Iowa 52404-2161
(319) 892-5010 Fax: (319) 892-5009
www.linncounty.org

November 17, 2004

Board of Supervisors and Citizens
County of Linn, Iowa

The Comprehensive Annual Financial Report (CAFR) for the County of Linn, Iowa (the "County") for the fiscal year ended June 30, 2004, is hereby submitted in accordance with the provisions of Section 331.403 of the Code of Iowa.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Eide Bailly LLP, a firm of licensed certified public accountants, has audited the County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2004 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2004 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF LINN COUNTY

The County was organized on June 10, 1839. It currently is operated under a three-member Board of Supervisors. The members are elected at large to four-year terms. The Board is the legislative body of the County, which annually adopts a budget and establishes tax rates to support County programs. Other elected officials (Attorney, Auditor, Recorder, Sheriff and Treasurer) and appointed department heads have the responsibility of administering these programs in accordance with the policies and the annual budget adopted by the Board of Supervisors.

The County provides a full range of services to its citizens including public safety, social services, services to people with disabilities, parks, planning and development, public health and general administrative services. In addition, the County provides a secondary roads department and a management information systems department utilized by other governmental entities.

The State of Iowa requires the adoption of an annual budget for total County operating expenditures by function area. Activities of the general fund, special revenue funds, debt service fund and capital projects fund are included in the annual appropriated budget, prepared on a cash basis. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the total program function level.

As demonstrated by the statements included in the financial section of this report, the County continues to meet its responsibility for sound financial management.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

Linn County is the second largest population center in the state of Iowa. The adjoining metropolitan areas of Cedar Rapids, Marion, Hiawatha, and Robins include approximately 80 percent of the County's population, with the remainder living in small towns and on farms. The fiscal year 2004 population of Linn County is estimated at 199,090 – an increase of 0.4 percent from 2003. The unemployment rate was 4.5 percent at the end of fiscal year 2004, well below the national average of 5.6 percent.

In the past few months, several area businesses have announced plans for expansion or reported increased earnings, with rebounding employment likely and additional capital investment expected in the next fiscal year. Some of these projects include new positions in finance, marketing, human resources and production.

In June, two Cedar Rapids companies announce plans to team up in offering ground beef “to go” at the nation's convenience stores. Mitec Advanced Technologies is partnering with Carfrae Meat Company to establish the nation's first fresh meat processing and packaging line to produce refrigerated case-ready ground beef with a shelf life exceeding three weeks. Capital investment will exceed \$3 million in the lease of the facility, new equipment and working capital. Over the next year, Mitec and Carfrae expect to create 26 new jobs.

J. Rettenmaier & Sohne, a German company considered to be a world leader in the fiber industry, recently announced plans for a \$23 million dietary oat fiber plant in southwest Cedar Rapids. The plant, initially employing 26 and paying an average of \$19 per hour with competitive benefits, will convert oat hulls to fiber, primarily for use in food, such as low-carbohydrate bread. The plant is scheduled to begin production in the third quarter of 2005.

Red Star Yeast announced plans in February for a new baking yeast manufacturing plant in southwest Cedar Rapids. The \$50 million plant is located next to ADM Corn Processing and will employ 87 when it opens in the spring of 2005. The plant is expected to create a demand at ADM for 15,000 bushels of corn per day.

Rockwell Collins, a Cedar Rapids manufacturer of electronics and communications equipment for commercial and military aircraft, announced recently that its June 30th earnings per share were up 17 percent from a year earlier, excluding a one-time gain from a favorable tax ruling last year. The operating margin posted by the company's commercial division of nearly 15 percent demonstrates its ability to convert increased sales and productivity improvement initiatives into higher levels of profitability. Defense sales increased by \$59 million or 18 percent due to acquisitions and improved sales from ongoing business units.

Long-Term Financial Planning

Following a decision by the Linn County Planning & Zoning Commission, the Linn County Board of Supervisors will vote on setting a public hearing to proceed with the expansion of the Cedar Rapids/Linn County Solid Waste Agency landfill site #2 north of Marion. Members of the Solid Waste Agency's Board had voted to proceed with the expansion last year, but the plan met with opposition from the Marion City Council, developers and residents living near the site. The Solid Waste Agency's Board is comprised of all five members of the Cedar Rapids City Council, the city's solid waste director, two of the Linn County Board of Supervisors, and a member from an "at-large" member-community. The proposed expansion at site #2 is close enough to the metro area that the construction of a transfer station would not be required. The Solid Waste Agency also operates site #1 in the city of Cedar Rapids, currently scheduled to close in 2006. The estimated life of site #2 is approximately three years, with closure projected in 2007 or early 2008 unless the proposed expansion takes place.

In October, the Vision Iowa Board awarded a \$5 million grant to the City of Cedar Rapids for the city's Cedar Bend project. The project includes Sinclair Square, a \$13.7 million community center with a year-round farmers market including restaurants and a senior center; Cedar Bend Lake, a \$3.6 million lake with a beach, lodge, fishing piers and boat launches; and Cedar Bend Park, a \$17 million park to be developed over the former landfill site. The County's contribution of \$800,000 for the senior center will come from property taxes over a five-year period.

Community leaders recently began a community planning process called "Fifteen in 5". The plan calls for 15 goals to be identified over the next six months that can be achieved in the next five years. The Cedar Rapids Area Chamber of Commerce and the Greater Cedar Rapids Community Foundation are sponsoring this planning effort. A committee of 15 people will gather input from community organizations and create a "to-do list" of 15 items. The ideas may be related to education, human services, recreation, the look and feel of the city, and elements associated with quality of life.

Cash Management

Idle funds during the fiscal year were invested in those investments authorized by law and included federal securities and interest-bearing bank accounts. Income from investments, generally allocated to the general fund as permitted under state law, was \$535,000, a decrease of \$525,000, or 50 percent from the previous fiscal year. The average yield on investments was 2.00 percent.

Risk Management

The County's health and dental, worker's compensation, and tort liability insurance are included in the internal service funds. Unemployment compensation is included in the general fund. The County is self-insured for health and dental, unemployment compensation, worker's compensation and tort liability. The County maintains a number of risk management programs under the direction of the County's Risk Manager. Various risk control techniques include educational programs for employees to prevent accidents, cardio-pulmonary resuscitation training and defensive driving classes conducted throughout the fiscal year.

Self-insurance for the health and dental program is in effect up to an aggregate annual stop loss of 100 percent for pure premiums or approximately \$6.8 million. Additionally, there is a stop loss of \$125,000 per individual. A private insurance company maintains coverage for losses in excess of the stop loss amount. An independent claims administrator performs all claims administration. Unemployment compensation is charged quarterly to the applicable funds. The State assesses the County based on actual claims paid. No stop loss policies are maintained for worker's compensation and tort liability risk exposures.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2003. This was the 15th consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

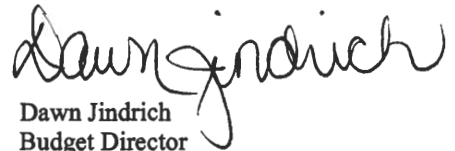
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget for fiscal 2005. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document was judged to be proficient in several categories including as a policy document, a financial plan, an operations guide, and a communication device. Preparation of the Comprehensive Annual Financial Report could not have been accomplished without the services of the entire staff of the Office of Finance and Budget. The excellent services provided by the County's independent auditors, Eide Bailly LLP, is greatly appreciated. We would also like to thank the Board of Supervisors for their leadership and support without which preparation of this report would not have been possible.

Respectfully submitted,



Steve Tucker
Finance Director



Dawn Jindrich
Budget Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Linn,
Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Officials of the County of Linn, Iowa

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Linn, Iowa, as of and for the year ended June 30, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of County Officials. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; Chapter 11 of the Code of Iowa; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Linn, Iowa, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report, under separate cover, dated November 17, 2004, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information listed in the table of contents are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the County of Linn, Iowa. The introductory section, combining nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not required parts of the basic financial statements of the County of Linn, Iowa. The combining nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Erica Bailey LLP

Dubuque, Iowa
November 17, 2004

Management's Discussion and Analysis

As management of the County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2004. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal which can be found on pages 5-8 of this report.

Financial Highlights

- The assets of the County exceeded the liabilities at the close of the most recent fiscal year by \$90,972,923 (net assets). Of this amount, \$9,854,219 (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors
- The County's total assets decreased by \$212,040
- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$18,538,453, a decrease of \$5,682,674 in comparison with the prior year
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$10,160,861, or 21 percent of total general fund expenditures
- Total general obligation bonded debt decreased by \$970,000 (15 percent) during the current fiscal year

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type*) activities. The government activities of the County include public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents and administration. Options of Linn County is the sole business-type activity of the County.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 13 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the mental health fund and the secondary roads fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for all governmental funds by fund and by ten major classes of expenditures. These ten classes are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, nonprogram services, debt service and capital projects. The ultimate legal level of control is by major class for all governmental funds. Budgetary statements have been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 23 – 29 of this report.

Proprietary funds. Linn County maintains two different types of proprietary funds. An *enterprise fund* is used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses its enterprise fund, Options of Linn County, to account for employment opportunities provided for the County's mentally challenged and developmentally disabled individuals. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among Linn County's various functions. Linn County uses internal service funds to account for its employee health and dental benefits and for its self-insurance of worker's compensation, auto liability and tort claims. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Both the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 30 – 32 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 33 – 34 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35 – 49 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 55 – 62 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Linn County, assets exceeded liabilities by \$90,973,000 at the close of the most recent fiscal year.

The largest portion of the County's net assets (80 percent) reflects its investment in capital assets (e.g., infrastructure, land, buildings and machinery and equipment), less any related debt used to acquire those assets that is still

outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

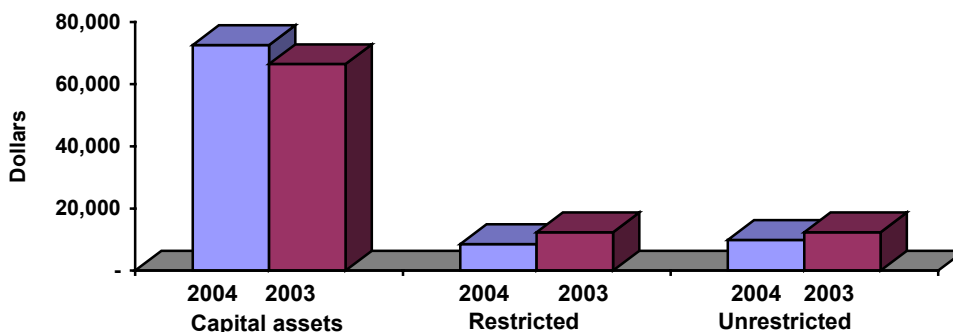
Statement of Net Assets for the Fiscal Year Ended June 30, 2004

The County's combined net assets decreased to \$90,973,000 for fiscal year 2004. A condensed version of the Statement of Net Assets as of June 30, 2004 and June 30, 2003 follows:

County of Linn Net Assets (in thousands)

	Governmental Activities		Business-Type Activities		Total Government	
	2004	2003	2004	2003	2004	2003
Current and other assets	\$ 72,065	\$ 74,355	\$ 448	\$ 437	\$ 72,513	\$ 74,792
Capital assets	78,267	73,234	60	9	78,327	73,243
Total assets	150,332	147,589	508	446	150,840	148,035
Long-term debt outstanding	9,518	10,260	-	-	9,518	10,260
Other liabilities	50,243	46,509	106	81	50,349	46,590
Total liabilities	59,761	56,769	106	81	59,867	56,850
Net assets:						
Invested in capital assets, net of related debt	72,489	66,456	60	9	72,549	66,465
Restricted	8,571	12,344	-	-	8,571	12,344
Unrestricted	9,511	12,020	342	356	9,853	12,376
Total net assets	\$ 90,571	\$ 90,820	\$ 402	\$ 365	\$ 90,973	\$ 91,185

Comparison of Net Assets



The largest portion of the County's net assets is the Invested in Capital Assets (e.g., land, infrastructure, buildings and machinery and equipment), less the related debt. The debt related to the Investment in Capital Assets is liquidated with sources other than capital assets. The \$6,084,000 increase includes a \$5,176,000 increase in net capital assets and a \$970,000 decrease in general obligation-bonded debt to \$5,510,000 at year-end, a decrease of 15 percent. Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - decreased \$2,523,000 at June 30, 2004.

Current and other assets decreased \$2,279,000 to \$72,513,000. Included is a decrease of \$4,809,000 or 16% in pooled cash and investments and an increase in succeeding year property tax receivable of \$2,699,000 or 7%. The decrease in

pooled cash includes \$1,534,000 from the MH-DD fund used for planned service expansions to reduce the fund balance to the targeted level of 10% above which no additional state funding is received.

Statement of Activities for the Fiscal Year Ended June 30, 2004

A condensed version of the Statement of Activities as of June 30, 2004 and June 30, 2003 follows:

County of Linn Changes in Net Assets (in thousands)

	Governmental Activities		Business-type Activities		Total		Total Percent- age Change
	2004	2003	2004	2003	2004	2003	2003-2004
Revenues:							
Program revenues:							
Charges for services	\$ 15,301	\$ 21,771	\$ 769	\$ 737	\$16,070	\$22,508	-28.6%
Operating grants and contributions	25,943	18,780	-	-	25,943	18,780	38.1%
Capital grants and contributions	4,599	-	-	-	4,599	-	
General revenues and transfers:							
Property taxes	35,981	34,520	-	-	35,981	34,520	4.2%
Other county taxes	2,334	5,717	-	-	2,334	5,717	-59.2%
State replacements and credits	1,331	2,211	-	-	1,331	2,211	-39.8%
Investment income	535	1,060	2	4	537	1,064	-49.5%
Other general revenue	1,174	1,097	3	-	1,177	1,097	7.3%
Total revenues	<u>87,198</u>	<u>85,156</u>	<u>774</u>	<u>741</u>	<u>87,972</u>	<u>85,897</u>	2.4%
Expenses:							
Public safety and legal services	18,237	17,266	-	-	18,237	17,266	5.6%
Physical health and social services	13,928	12,848	-	-	13,928	12,848	8.4%
Mental health	24,531	21,993	737	685	25,268	22,678	11.4%
County environment and education	4,728	4,115	-	-	4,728	4,115	14.9%
Roads and transportation	13,969	13,487	-	-	13,969	13,487	3.6%
Governmental services to residents	3,010	2,820	-	-	3,010	2,820	6.7%
Administration	8,759	9,171	-	-	8,759	9,171	-4.5%
Nonprogram current	7	3	-	-	7	3	133.3%
Interest on long-term debt	278	317	-	-	278	317	-12.3%
Total expenses	<u>87,447</u>	<u>82,020</u>	<u>737</u>	<u>685</u>	<u>88,184</u>	<u>82,705</u>	6.6%
Change in net assets before transfers	(249)	3,136	37	56	(212)	3,192	-106.6%
Transfers	<u>-</u>	<u>175</u>	<u>-</u>	<u>(175)</u>	<u>-</u>	<u>-</u>	
Change in net assets	(249)	3,311	37	(119)	(212)	3,192	-106.6%
Beginning net assets - restated	<u>90,820</u>	<u>87,509</u>	<u>365</u>	<u>484</u>	<u>91,185</u>	<u>87,993</u>	3.6%
Ending net assets	<u>\$ 90,571</u>	<u>\$ 90,820</u>	<u>\$ 402</u>	<u>\$ 365</u>	<u>\$90,973</u>	<u>\$91,185</u>	-0.2%

Governmental activities

Revenues for the County's governmental activities increased \$2,042,000 or 2.4% while total expenses increased \$5,427,000 or 6.6%. Key elements include:

- The 4.2% increase in County property taxes represented an overall valuation growth of 3.4% and a six-cent increase in the countywide levy rate. Based on an overall valuation growth of 1.5% and a 22-cent increase in the countywide levy rate, taxes for next year, FY 05, are budgeted to increase 6.6%.
- Mental health operating grants and contributions of \$7,340,000 were reclassified from charges for services. Had the adjustment not been made, the charges for services increase would have been 0.4% and capital grants and contributions would have decreased 0.9%.

- Expiration of the one-year, one-cent local option sales tax used to fund road and bridge improvement projects decreased other county tax revenue by \$3,383,000. The associated roads and transportation expenses for fiscal 2004 decreased \$421,000. The net increase of \$262,000 includes increased wage expense and additional depreciation – primarily the result of infrastructure placed into service during the fiscal year.
- Salaries and benefits comprising 53.5% of expenses increased \$3,851,000 or 9.4%. Included in the increase were wage increases between 3.25% and 4.0% and benefit costs increasing 27.8%. The number of full-time equivalent positions increased by two to 811.
- Included in the \$2.6 million increase in mental health expenses were \$1.1 million from inflationary pressure and increased consumers, expansion of Title 19 related expenses of \$700,000 and targeted expansions of \$800,000 including a voluntary hospitalization program, a jail diversion program, a mobile crisis team and expansion of community supports for rent subsidies, psychotropic medications and transportation.

Business-type activities

Options of Linn County (Options), the County's sole business-type activity, increased net assets by \$37,000. Operating revenues increased 4.3 percent to \$769,000 while operating expenses increased 7.0 percent to \$737,000. As a result, operating income decreased by 33.6 percent to \$32,000. Factors contributing to these results include:

- The percentage of time when no work was available decreased from 8.6% in FY03 to 5.2% in FY04.
- Client salaries and benefits increased 4.6% to \$648,000.
- Direct material costs, associated with the contract work secured in FY04, increased \$16,000.
- Purchases of minor equipment increased \$17,600.

General Fund Budgetary Highlights

In accordance with the Code of Iowa, the Board of Supervisors annually adopts a budget following required public notice and hearing for all governmental funds. The County budget is prepared on the cash basis. Over the course of the year, the County amended its general fund budget two times. The first amendment was made November 2003 and resulted in an increase to the general fund expenditure budget of \$1,522,000 for an amended total of \$47,932,000. The amendment included expenditure reductions of \$772,000, the result of adjustments related to the State of Iowa "Reinventing Government" legislation that reduced local government tax credit replacements received from the State affecting all departments, including \$351,000 from the elimination of health services to the needy. The amendment also included \$1.2 million additional expenditures from human service grant revenues received the preceding year and \$690,000 in expenditures from the federally funded bioterrorism grant.

The second amendment, in May 2004, increased expenditures by \$1,124,000 for an amended expenditure budget of \$49,056,000. Included in the increase was repayment of the prior year self-insurance payable of \$1.1 million and \$100,000 in additional bioterrorism grant expenditures. Actual expenditures for the year totaled \$48,811,000 or \$245,000 less than the final amended budget – a variance of less than 1.0%.

Capital Assets and Debt Administration

County of Linn's Capital Assets (Net of Depreciation) (in thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2004	2003	2004	2003	2004	2003
Land	\$ 6,331	\$ 6,331	\$ -	\$ -	\$ 6,331	\$ 6,331
Buildings	30,820	31,214	-	-	30,820	31,214
Machinery and equipment	7,694	8,057	60	9	7,754	8,066
Infrastructure	30,641	23,734	-	-	30,641	23,734
Construction in progress	455	1,480	-	-	455	1,480
Total	<u>\$ 75,941</u>	<u>\$ 70,816</u>	<u>\$ 60</u>	<u>\$ 9</u>	<u>\$ 76,001</u>	<u>\$ 70,825</u>

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2004 was \$78,327,000 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment and infrastructure. Total capital assets also include the \$2,326,000 net investment in joint venture. The net increase in the County's investment in capital assets for the current fiscal year was 13 percent. Major capital assets events during the fiscal year included the following:

- Transfer of jurisdiction to the County of \$1,207,000 in roadway infrastructure from the State of Iowa
- Completion of \$3,241,000 in roadway and bridge projects paid directly by the state and federal governments
- Various infrastructure projects funded with local option sales tax totaling \$2,338,000 were completed
- Various other infrastructure projects totaling \$1,627,000 were completed
- Completion of the \$621,000 Squaw Creek Lodge
- Machinery and equipment increases including \$605,000 in heavy equipment, \$253,000 in automobile and \$193,000 in bus purchases

Additional information on the County's capital assets can be found in note 4 pages 40-41 of this report.

Long-Term Debt

At the end of the current fiscal year, the County had total outstanding debt of \$5,510,000. The full faith and credit of the County back all the debt.

County of Linn's Outstanding Debt (in thousands)

	2003	Additions	Payments	2004
Governmental -				
General obligation bonds	\$ 6,480	\$ -	\$ 970	\$ 5,510

Moody's Investor Services rate all the County's general obligation bonds Aaa. This rating enhances the sale of future County bonds by broadening the market and minimizing the interest rate for borrowing.

For more detailed information on the County's debt and amortization terms, please refer to note 6 on pages 42 and 43 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the County was 4.5 percent at the end of fiscal year 2004, well below the national average of 5.6 percent. There were 681 single-family home building permits issued in the cities of Cedar Rapids, Marion and Hiawatha, an increase of 3.0 percent from the prior year. The median household effective buying income, defined as income less personal tax and non-tax payments, often referred to as "disposable" income, was \$47,608 based on 79,500 households in Linn County.

Property taxes levied will increase \$2,500,000 or 6.6 percent from the fiscal 2004 budget. This increase represents overall valuation growth of 1.5 percent, a rural valuation decrease of 4.4 percent and a 22-cent increase in the countywide levy rate. The 2005 countywide levy rate is \$5.51 per thousand dollars of taxable value. Net property tax revenue represents 45 percent of total revenues, the same as fiscal 2004. Rural residents will pay \$9.19 per thousand dollars of taxable value, including the rural services levy rate of \$3.44.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Linn County Office of Finance and Budget, 930 First Street, SW, Cedar Rapids Iowa 52404-2161.

BASIC FINANCIAL STATEMENTS

COUNTY OF LINN, IOWA

STATEMENT OF NET ASSETS
JUNE 30, 2004

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Current assets:			
Pooled cash and investments	\$ 24,133,142	\$ 317,622	\$ 24,450,764
Receivables:			
Accounts	194,435	119,299	313,734
Property taxes:			
Delinquent	364,226	-	364,226
Succeeding year	42,336,335	-	42,336,335
Interest and penalties on property taxes	507,334	-	507,334
Accrued interest	78,841	273	79,114
Due from other governments	3,019,209	-	3,019,209
Due from individuals and private entities	219,000	-	219,000
Inventories and prepaid expenses	1,212,744	10,824	1,223,568
Total current assets	72,065,266	448,018	72,513,284
Noncurrent assets:			
Capital assets:			
Land and construction in progress	6,786,553	-	6,786,553
Other capital assets net of accumulated depreciation	69,154,491	59,702	69,214,193
Net investment in joint venture	2,326,000	-	2,326,000
Total noncurrent assets	78,267,044	59,702	78,326,746
TOTAL ASSETS	150,332,310	507,720	150,840,030
LIABILITIES:			
Current liabilities:			
Accounts payable	5,033,837	21,811	5,055,648
Salaries and benefits payable	1,759,745	84,296	1,844,041
Due to individuals and private entities	21,202	-	21,202
Deferred revenue:			
Succeeding year property tax	42,336,335	-	42,336,335
Other	1,071,512	-	1,071,512
Accrued interest payable	20,110	-	20,110
Total current liabilities	50,242,741	106,107	50,348,848
Noncurrent liabilities:			
Due within one year:			
General obligation bonds payable	1,010,000	-	1,010,000
Capital lease obligations	84,051	-	84,051
Compensated absences	2,743,385	-	2,743,385
Due in more than one year:			
General obligation bonds payable	4,500,000	-	4,500,000
Capital lease obligations	184,330	-	184,330
Compensated absences	996,493	-	996,493
Total noncurrent liabilities	9,518,259	-	9,518,259
TOTAL LIABILITIES	59,761,000	106,107	59,867,107
NET ASSETS:			
Investment in capital assets net of related debt	72,488,663	59,702	72,548,365
Restricted for:			
Supplemental levy purposes	2,692,100	-	2,692,100
MH-DD services	1,088,485	-	1,088,485
Secondary roads	1,619,872	-	1,619,872
Capital projects	1,853,213	-	1,853,213
Nonmajor special revenue funds	1,306,619	-	1,306,619
Debt service	10,050	-	10,050
Unrestricted	9,512,308	341,911	9,854,219
TOTAL NET ASSETS	\$ 90,571,310	\$ 401,613	\$ 90,972,923

See notes to financial statements.



COUNTY OF LINN, IOWA

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2004

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Public safety and legal services	\$ 18,237,081	\$ 5,551,039	\$ 1,615,250	\$ -
Physical health and social services	13,927,908	2,372,905	5,033,890	-
Mental health	24,531,208	205	14,735,849	-
County environment and education	4,728,151	1,756,956	46,322	-
Roads and transportation	13,968,184	1,263,064	4,506,855	4,598,938
Governmental services to residents	3,010,327	3,532,660	-	-
Administration	8,758,404	824,614	5,028	-
Nonprogram	6,860	-	-	-
Interest on long-term debt	278,323	-	-	-
Total governmental activities	87,446,446	15,301,443	25,943,194	4,598,938
Business-type activities - Options of Linn County	737,078	768,830	-	-
Total	\$ 88,183,524	\$ 16,070,273	\$ 25,943,194	\$ 4,598,938

General revenues:
Property and other county taxes levied for:
 General purposes
 Debt service
Penalties, interest and costs on taxes
Other county taxes
State replacements and credits
Investment income
Other general revenue
Gain (loss) on sale of capital assets
Decrease in joint venture
Total general revenues
Change in net assets
Net assets - beginning - restated
Net assets - ending

See notes to financial statements.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
\$ (11,070,792)	\$ -	\$ (11,070,792)
(6,521,113)	-	(6,521,113)
(9,795,154)	-	(9,795,154)
(2,924,873)	-	(2,924,873)
(3,599,327)	-	(3,599,327)
522,333	-	522,333
(7,928,762)	-	(7,928,762)
(6,860)	-	(6,860)
(278,323)	-	(278,323)
(41,602,871)	-	(41,602,871)
-	31,752	31,752
(41,602,871)	31,752	(41,571,119)
35,510,671	-	35,510,671
469,907	-	469,907
792,603	-	792,603
2,333,748	-	2,333,748
1,330,999	-	1,330,999
534,887	2,512	537,399
481,627	-	481,627
(8,633)	2,758	(5,875)
(92,000)	-	(92,000)
41,353,809	5,270	41,359,079
(249,062)	37,022	(212,040)
90,820,372	364,591	91,184,963
\$ 90,571,310	\$ 401,613	\$ 90,972,923

COUNTY OF LINN, IOWA

BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2004

			Special Revenue
			MH-DD
	General		Services
ASSETS:			
Cash and investments:			
Pooled cash and investments	\$ 13,160,070	\$ 2,629,116	
Other county officials	642,771	532	
Receivables:			
Accounts	96,968	81,243	
Property taxes:			
Delinquent	269,680	79,134	
Succeeding year	30,020,000	8,197,766	
Interest and penalties on property taxes	507,334	-	
Accrued interest	78,544	-	
Due from other governments	2,186,706	783,505	
Due from individuals and private entities	219,000	-	
Inventories	103,536	-	
TOTAL ASSETS	<u>\$ 47,284,609</u>	<u>\$ 11,771,296</u>	
LIABILITIES AND FUND BALANCES:			
LIABILITIES:			
Accounts payable	\$ 1,089,070	\$ 2,177,810	
Salaries and benefits payable	1,286,999	288,291	
Due to other funds	89,692	18,944	
Deferred revenue:			
Succeeding year property tax	30,020,000	8,197,766	
Other	1,854,257	261,671	
Total liabilities	<u>34,340,018</u>	<u>10,944,482</u>	
FUND BALANCES:			
Reserved for:			
Encumbrances	-	-	
Inventories	103,536	-	
Supplemental levy purposes	2,680,194	-	
Debt service fund	-	-	
Unreserved	10,160,861	826,814	
Unreserved reported in nonmajor:			
Special revenue funds	-	-	
Capital projects fund	-	-	
Total fund balances	<u>12,944,591</u>	<u>826,814</u>	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 47,284,609</u>	<u>\$ 11,771,296</u>	
See notes to financial statements.			

Funds		Other Governmental Funds		Total Governmental Funds	
Secondary Roads					
\$	1,034,368	\$	3,197,299	\$	20,020,853
	6,928		16,160		666,391
	16,224		-		194,435
	-		15,412		364,226
	-		4,118,569		42,336,335
	-		-		507,334
	-		43		78,587
	44,990		-		3,015,201
	-		-		219,000
	1,101,815		7,393		1,212,744
\$	2,204,325	\$	7,354,876	\$	68,615,106
\$	397,735	\$	34,222	\$	3,698,837
	172,906		11,549		1,759,745
	13,812		544		122,992
	-		4,118,569		42,336,335
	30,680		12,136		2,158,744
	615,133		4,177,020		50,076,653
	1,798,298		13,742		1,812,040
	1,101,815		7,393		1,212,744
	-		-		2,680,194
	-		27,407		27,407
	(1,310,921)		-		9,676,754
	-		1,289,843		1,289,843
	-		1,839,471		1,839,471
	1,589,192		3,177,856		18,538,453
\$	2,204,325	\$	7,354,876	\$	68,615,106

COUNTY OF LINN, IOWA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2004

Total fund balances for governmental funds		\$ 18,538,453
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		78,267,044
Internal service funds are used by the County to charge the cost of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		2,216,950
Some of the County's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures. Therefore, they are reported as deferred revenue in the funds.		1,087,232
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities:		
Accrued interest on bonds		(20,110)
Bonds payable	\$ (5,510,000)	
Capital leases	(268,381)	
Compensated absences	<u>(3,739,878)</u>	
Total long-term debt liabilities		<u>(9,518,259)</u>
Total net assets of governmental activities		<u>\$ 90,571,310</u>
See notes to the financial statements.		



COUNTY OF LINN, IOWA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2004

	General	Special Revenue MH-DD Services
REVENUES:		
Property taxes	\$ 25,152,576	\$ 7,378,033
Other county taxes	1,551,908	450,446
Interest and penalty on taxes	614,640	-
Intergovernmental	15,073,575	14,417,304
Licenses and permits	572,835	-
Charges for services	5,568,757	508,598
Use of money and property	1,026,649	3,450
Miscellaneous	593,616	1,583
Total revenues	<u>50,154,556</u>	<u>22,759,414</u>
EXPENDITURES:		
Current:		
Public safety and legal services	17,757,760	-
Physical health and social services	13,600,133	-
Mental health	-	24,278,308
County environment and education	4,568,291	-
Roads and transportation	1,377,391	-
Governmental services to residents	2,906,595	-
Administration	8,005,077	-
Nonprogram	6,860	-
Capital projects	20,571	-
Debt service	-	-
Total expenditures	<u>48,242,678</u>	<u>24,278,308</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,911,878</u>	<u>(1,518,894)</u>
OTHER FINANCING SOURCES (USES):		
Sale of capital assets	5,094	-
Provision for capital leases and installment purchases	62,143	-
Transfers in	-	-
Transfers out	(2,260,552)	-
Total other financing sources (uses)	<u>(2,193,315)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(281,437)</u>	<u>(1,518,894)</u>
INCREASE (DECREASE) IN INVENTORY RESERVES	<u>2,447</u>	<u>-</u>
NET CHANGE IN FUND BALANCES FOR YEAR	<u>(278,990)</u>	<u>(1,518,894)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>13,223,581</u>	<u>2,345,708</u>
FUND BALANCES AT END OF YEAR	<u>\$ 12,944,591</u>	<u>\$ 826,814</u>
See notes to financial statements.		

<u>Funds</u>	<u>Other</u>	<u>Total</u>
<u>Secondary</u>	<u>Governmental</u>	<u>Governmental</u>
<u>Roads</u>	<u>Funds</u>	<u>Funds</u>
\$ -	\$ 3,488,128	\$ 36,018,737
-	314,599	2,316,953
-	-	614,640
4,583,128	398,653	34,472,660
22,764	-	595,599
214,365	92,988	6,384,708
-	44,680	1,074,779
156,392	54,634	806,225
<u>4,976,649</u>	<u>4,393,682</u>	<u>82,284,301</u>
-	-	17,757,760
-	-	13,600,133
-	-	24,278,308
-	438,947	5,007,238
8,834,739	389,213	10,601,343
-	41,104	2,947,699
-	-	8,005,077
-	-	6,860
761,328	3,583,476	4,365,375
-	1,251,687	1,251,687
<u>9,596,067</u>	<u>5,704,427</u>	<u>87,821,480</u>
<u>(4,619,418)</u>	<u>(1,310,745)</u>	<u>(5,537,179)</u>
26,775	-	31,869
-	-	62,143
3,916,081	1,141,063	5,057,144
-	(2,796,592)	(5,057,144)
<u>3,942,856</u>	<u>(1,655,529)</u>	<u>94,012</u>
(676,562)	(2,966,274)	(5,443,167)
<u>(247,462)</u>	<u>5,508</u>	<u>(239,507)</u>
(924,024)	(2,960,766)	(5,682,674)
<u>2,513,216</u>	<u>6,138,622</u>	<u>24,221,127</u>
<u>\$ 1,589,192</u>	<u>\$ 3,177,856</u>	<u>\$ 18,538,453</u>

COUNTY OF LINN, IOWA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2004

Net change in fund balances - total governmental funds		\$ (5,443,167)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		5,052,799
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		(20,186)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		379,146
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:		
General obligation bonds principal repayment		970,000
Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net assets, the lease obligation is reported as a liability.		30,199
Inventories in the governmental funds have been recorded as expenditures when paid. However, the statement of activities will report these as expenditures in the period that the corresponding net asset is exhausted.		(239,507)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, as follows:		
Compensated absences	\$ (258,781)	
Interest on long-term debt	<u>3,364</u>	(255,417)
Internal service funds are used by management to charge costs of insurance to individual funds. The net revenue (expenses) of certain activities of internal service funds is reported with governmental activities.		<u>(722,929)</u>
Change in net assets of governmental activities		<u>\$ (249,062)</u>

See notes to financial statements.

COUNTY OF LINN, IOWA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2004

	Nonmajor Enterprise Fund - Options	Internal Service Funds
ASSETS:		
Current assets:		
Pooled cash and investments	\$ 317,413	\$ 3,445,898
Cash - Other county officials	209	-
Receivables:		
Accounts	119,299	-
Accrued interest	273	254
Due from other funds	-	122,992
Due from other governments	-	4,008
Inventories and prepaid expenses	10,824	-
Total current assets	448,018	3,573,152
Noncurrent assets - capital assets net of accumulated depreciation	59,702	-
TOTAL ASSETS	507,720	3,573,152
LIABILITIES:		
Current liabilities:		
Accounts payable	21,811	1,335,000
Salaries and benefits payable	84,296	-
Due to individuals and private entities	-	21,202
Total current liabilities	106,107	1,356,202
NET ASSETS:		
Investment in capital assets net of related debt	59,702	-
Unrestricted	341,911	2,216,950
TOTAL NET ASSETS	\$ 401,613	\$ 2,216,950
See notes to financial statements		

COUNTY OF LINN, IOWA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2004

	Nonmajor Enterprise Fund - Options	Internal Service Funds
	<u> </u>	<u> </u>
OPERATING REVENUES - Charges for services	\$ 768,830	\$ 7,508,269
OPERATING EXPENSES:		
Salaries and benefits	647,901	-
Supplies	28,050	-
Other expenses	53,025	-
Depreciation	8,102	-
Claims and administrative expenses	-	8,246,514
TOTAL OPERATING EXPENSES	<u>737,078</u>	<u>8,246,514</u>
OPERATING INCOME (LOSS)	<u>31,752</u>	<u>(738,245)</u>
NON-OPERATING REVENUES		
Interest income	2,512	15,316
Gain on sale of capital assets	2,758	-
TOTAL NON-OPERATING REVENUES	<u>5,270</u>	<u>15,316</u>
CHANGE IN NET ASSETS	37,022	(722,929)
TOTAL NET ASSETS - BEGINNING - RESTATED	<u>364,591</u>	<u>2,939,879</u>
TOTAL NET ASSETS - ENDING	<u>\$ 401,613</u>	<u>\$ 2,216,950</u>
See notes to financial statements.		

COUNTY OF LINN, IOWA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2004

	Nonmajor Enterprise Fund - Options	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 784,060	\$ -
Cash received from other funds	-	8,477,264
Cash received from insurance claims	-	134,451
Cash received from employees	-	229,005
Cash paid to suppliers	(63,192)	-
Cash paid to employees	(642,443)	(75,437)
Cash paid for insurance claims and premiums	-	(7,452,222)
Cash paid for services	-	(525,384)
NET CASH FROM (FOR) OPERATING ACTIVITIES	<u>78,425</u>	<u>787,677</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from sales of capital assets	3,165	-
Purchases of capital assets	<u>(59,330)</u>	<u>-</u>
NET CASH USED FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(56,165)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES - Interest on investments	<u>2,619</u>	<u>17,011</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	24,879	804,688
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>292,743</u>	<u>2,641,210</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 317,622</u>	<u>\$ 3,445,898</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:		
OPERATING INCOME (LOSS)	<u>\$ 31,752</u>	<u>\$ (738,245)</u>
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH FROM (FOR) OPERATING ACTIVITIES:		
Depreciation	8,102	-
Decrease in accounts receivable	15,229	-
Decrease in due from other funds	-	1,196,828
Decrease in due from other governments	-	1,172
Increase in inventories and prepaid expenses	(1,585)	-
Increase in due to individuals and private entities	-	21,122
Increase in accounts payable	19,867	306,800
Increase in salaries and benefits payable	<u>5,060</u>	<u>-</u>
Total adjustments	<u>46,673</u>	<u>1,525,922</u>
NET CASH FROM (FOR) OPERATING ACTIVITIES	<u>\$ 78,425</u>	<u>\$ 787,677</u>
See notes to financial statements.		

COUNTY OF LINN, IOWA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2004

	Deferred Compensation Trust Fund	Agency Funds
ASSETS:		
Cash and investments:		
Pooled cash and investments	\$ -	\$ 7,403,759
Cash - Other county officials	-	1,154,757
Investments	1,524,107	-
Receivables:		
Property taxes:		
Delinquent	-	2,236,997
Succeeding year	-	214,812,003
Special assessments	-	95,185
Due from individuals and private entities	-	4,343
TOTAL ASSETS	<u>1,524,107</u>	<u>225,707,044</u>
LIABILITIES:		
Due to other governments	-	224,391,839
Due to individuals and private entities	-	1,315,205
TOTAL LIABILITIES	<u>-</u>	<u>225,707,044</u>
NET ASSETS - Held in trust for deferred compensation	<u>\$ 1,524,107</u>	<u>\$ -</u>

See notes to financial statements.

COUNTY OF LINN, IOWA

STATEMENT OF CHANGES IN NET ASSETS
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2004

	Deferred Compensation Trust Fund
ADDITIONS:	
Employee contributions	\$ 119,716
Net increase in the fair value of investments	134,355
Total additions	<u>254,071</u>
DEDUCTIONS - Redemption of contributions to employee or beneficiaries	<u>76,844</u>
CHANGE IN NET ASSETS	177,227
TOTAL NET ASSETS - BEGINNING	<u>1,346,880</u>
TOTAL NET ASSETS - ENDING	<u>\$ 1,524,107</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Linn, Iowa (the "County") was incorporated in 1839 and is a political subdivision of the State of Iowa operating under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Treasurer, Recorder, Sheriff, and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance, and general administrative services.

A. Reporting Entity

For financial reporting purposes, Linn County has included all funds, organizations, agencies, boards, commissions, and authorities. The County has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County.

Jointly Governed Organizations - The County also participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Linn County Assessor's Conference Board, Cedar Rapids Assessor's Conference Board, Linn County Emergency Management Commission, and the Linn County Joint E911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in an Agency Fund of the County.

B. Basis of Presentation

Government-wide Financial Statements - The statement of net assets and the statement of activities report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. Property tax, intergovernmental revenues and other nonexchange transactions support governmental activities.

The statement of net assets presents the County's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

Invested in capital assets, net of related debt - consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted net assets - result when constraints are placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets - consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources that are imposed by management, but can be removed or modified.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among revenues are reported instead as general revenues.

Fund Financial Statements – Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other nonmajor governmental funds.

The County reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the County. All general tax revenues and other revenues that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges and the capital improvement costs that are not paid from other funds.

Special Revenue Funds – The MH-DD Services Fund is used to account for property taxes and other revenues designated to be used to fund mental health, mental retardation, and developmental disabilities services. The Secondary Roads Fund is used to account for secondary road construction and maintenance.

Additionally, the County reports the following fund types:

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governments, on a cost reimbursement basis. The County currently uses Internal Service Funds for the purpose of purchasing insurance and providing self-insurance for certain risks.

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenue earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control or other sound financial management purposes.

Deferred Compensation Trust Fund – The Deferred Compensation Trust Fund is accounted for using the economic resources measurement focus and the accrual basis of accounting. The Deferred Compensation Trust Fund accounts for assets where both the principal and interest may be spent.

Agency Funds - Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, other governmental units and/or other funds. Agency Funds are custodial in nature and do not involve the measurement of results of operations.

C. Measurement Focus and Basis of Accounting

The government-wide proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days after year-end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when the County receives cash.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recorded as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursements grant resources to such programs, followed by categorical block grants, and then by general revenues.

The proprietary fund of the County follows private-sector standards of accounting and financial reporting issued prior to December 1, 1989 to the extent that those standards do not conflict with or contradict GASB pronouncements, Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's internal service fund is charges to customers for sales and services. Operating expenses for internal service funds include the cost of service and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County maintains its financial records on the cash basis. The financial statements of the County are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities, and Fund Equity

The following accounting policies are followed in preparing the balance sheet:

Cash, Pooled Investments and Cash Equivalents - The County Treasurer maintains a cash and investment pool for all County funds. The Deferred Compensation Trust Fund and several of the County's agency funds also hold cash and investments separately on behalf of others. Cash resources have been pooled in order to maximize investment opportunities. Interest earned on the cash and investment pool is generally allocated to the General Fund as permitted under state law. Each fund's portion of the total pooled cash and investments is reported as such within this report.

Investments in the Deferred Compensation Trust Fund are reported at fair value. All other investments are stated at amortized cost, if purchased with an original maturity of less than one year.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the day of purchase, they have a maturity date no longer than three months.

Property Tax Receivable – Property tax in Governmental Funds is accounted for using the modified accrual basis of accounting. Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the County Board of Supervisors certifies the tax asking. Delinquent property taxes receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of

Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½ percent per month penalty for delinquent payments; is based on January 1, 2002 assessed property valuations; is for the tax accrual period July 1, 2003 through June 30, 2004 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March, 2003.

Due from and Due to Other Funds - During the course of its operations, the County has numerous transactions between funds. To the extent that certain transactions between funds had not been paid or received as of June 30, 2004, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Due from Other Governments - Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Capital Assets – Capital assets, which include property, equipment and vehicles, and infrastructure assets (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the government), are reported in the governmental activities column in the government-wide statement of net assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value or materially extend the life of the asset are not capitalized. Capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years. The County defines reportable capital assets as individual assets above the following thresholds:

Infrastructure	\$50,0000
Land, buildings and improvements	5,000
Equipment and vehicles	5,000

Property and equipment of the County is depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Building	25 – 50
Building improvements	25 – 50
Infrastructure	10 – 65
Equipment	3 – 20
Vehicles	3 – 15

Inventories - Inventories for all governmental funds are valued at average cost. The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased, however, material amounts of inventories are reported as assets of the respective fund. Reported inventories in these funds are equally offset by a fund balance reserve, which indicates they are unavailable for appropriation even though they are a component of reported assets.

Due to Other Governments - Due to other governments represents taxes and other revenues collected by the County and payments for services which will be remitted to other governments.

Deferred Revenue - Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the

current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds, the succeeding year property tax receivable, as well as delinquent property tax receivables and other receivables not collected within sixty days after year end.

Deferred revenue on the statement of net assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied and unspent grant proceeds.

Compensated Absences - Generally, County employees accumulate sick leave days for subsequent use. The County does not recognize this accumulation as a disbursement until it is paid since sick leave does not vest. County employees also accumulate vacation days for subsequent use. A liability is recorded when incurred in the government-wide, proprietary fund, and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2004. The compensated absences liability attributable to the governmental activities will be paid primarily by the General fund and the MH-DD Services, Rural Services and Secondary Roads Special Revenue funds as statutorily required.

Long-term Liabilities – In the government-wide and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund statement of net assets. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity – In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

2. CASH AND INVESTMENTS

The County Treasurer maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed as "pooled cash and investments". In addition, cash and investments are separately held by several of the County's funds.

In accordance with Chapter 12C of the Code of Iowa, the County maintains deposits within approved limits authorized by the Board of Supervisors. All bank balances were covered by federal depository insurance, or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

Cash - At year-end, the carrying amount of the County's deposits, which include certificates of deposit, was \$33,009,280, and the bank balances were \$34,601,730.

Investments - The County is authorized to invest in U.S. government and agency obligations, commercial paper rated AA or higher by Standard & Poor's Corporation, prime eligible bankers' acceptances, perfected repurchase agreements, certain registered open-end management investment companies and certain joint investment trusts. The County is also authorized to invest deferred compensation balances in money market, bond and equity mutual funds under the terms of the County's Deferred Compensation Plan (See Note 8).

When applicable, the County's investments are categorized to give an indication of the level of risk assumed by the County. Category 1 includes securities that are insured, registered or held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered securities held by the counterparty's trust department or its agent in the

County's name. Category 3 includes uninsured and unregistered securities held by the counterparty or by its trust or safekeeping department or its agent, but not in the County's name. Linn County had no investments subject to categorization at June 30, 2004.

The County had investments in the Iowa Public Agency Investment Trust, a Securities and Exchange Commission registered pool, which are valued at an amortized cost of \$587,863 pursuant to Rule 2a-7 under the Investment Company Act of 1940 and are not subject to risk categorization.

The investments in mutual funds held by the County Employees' Deferred Compensation Trust Fund are not subject to risk categorization and had a carrying value and fair value of \$1,524,107 at June 30, 2004.

3. PROPERTY TAXES

The County certifies its fiscal year budget in March of each year. Property taxes are levied by the County Board of Supervisors on July 1 on the assessment rolls of January 1 of the prior calendar year and become a lien on property when levied. Collections are due in September and March and become delinquent on October 1 and April 1, respectively. The transfer of monies collected by the County on behalf of other taxing bodies takes place before the 15th day of the month following the month of collection.

The County is permitted by the State Code of Iowa to levy taxes up to \$3.50 per \$1,000 of assessed valuation for general services. The County levied the maximum \$3.50 levy for general governmental services for the year ended June 30, 2004. The Code provides for a levy of an unlimited amount for restricted supplemental and debt service expenditures. In addition, the Code provides for a levy of up to \$3.95 per \$1,000 of assessed valuation for rural services, of which the County levied \$3.44 for the year ended June 30, 2004.

4. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2004 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,331,398	\$ -	\$ -	\$ 6,331,398
Construction in progress	<u>1,480,376</u>	<u>455,155</u>	<u>1,480,376</u>	<u>455,155</u>
Total capital assets not being depreciated	<u>7,811,774</u>	<u>455,155</u>	<u>1,480,376</u>	<u>6,786,553</u>
Capital assets being depreciated:				
Infrastructure	30,851,412	8,411,302	-	39,262,714
Buildings	45,038,414	620,641	-	45,659,055
Improvements other than buildings	226,975	-	-	226,975
Machinery and equipment	<u>20,094,466</u>	<u>1,362,929</u>	<u>553,118</u>	<u>20,904,277</u>
Total capital assets being depreciated	<u>96,211,267</u>	<u>10,394,872</u>	<u>553,118</u>	<u>106,053,021</u>
Less accumulated depreciation for:				
Infrastructure	7,116,865	1,505,708	-	8,622,573
Buildings	13,825,158	1,013,911	-	14,839,069
Improvements other than buildings	226,975	-	-	226,975
Machinery and equipment	<u>12,037,612</u>	<u>1,705,233</u>	<u>532,932</u>	<u>13,209,913</u>
Total accumulated depreciation	<u>33,206,610</u>	<u>4,224,852</u>	<u>532,932</u>	<u>36,898,530</u>
Total capital assets being depreciated, net	<u>63,004,657</u>	<u>6,170,020</u>	<u>20,186</u>	<u>69,154,491</u>
Governmental activities capital assets, net	<u>\$ 70,816,431</u>	<u>\$ 6,625,175</u>	<u>\$ 1,500,562</u>	<u>\$ 75,941,044</u>

Capital assets activity for the year ended June 30, 2004 was as follows:

	Beginning Balance Restated	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets being depreciated -				
Machinery and equipment	\$ 92,267	\$ 59,329	\$ 26,083	\$ 125,513
Less accumulated depreciation for -				
Machinery and equipment	83,385	8,102	25,676	65,811
Business-type activities capital assets, net	<u>\$ 8,882</u>	<u>\$ 51,227</u>	<u>\$ 407</u>	<u>\$ 59,702</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 471,019
Physical health and social services	238,492
Mental health	78,479
County environment and education	322,907
Roads and transportation	2,357,843
Governmental services to residents	22,630
Administration	733,482
Total depreciation expense - governmental activities	<u>\$ 4,224,852</u>
Business-type activities - Options of Linn County	<u>\$ 8,102</u>

The County has entered into contracts for the construction or reconstruction of various infrastructure and capital assets as follows:

	Contract Amount	Expended To Date	Remaining Commitment
Cedar Valley Nature Trail	\$ 270,742	\$ 257,000	\$ 13,742
Road construction projects	602,966	-	602,966
	<u>\$ 873,708</u>	<u>\$ 257,000</u>	<u>\$ 616,708</u>

5. INTERFUND RECEIVABLES AND PAYABLES

At June 30, 2004, interfund receivables and payables are summarized as follows:

	Interfund Receivables	Interfund Payables
General fund	\$ -	\$ 89,692
MH-DD services fund	-	18,944
Secondary roads fund	-	13,812
Nonmajor governmental funds	-	544
Internal service funds	122,992	-
Total All Funds	<u>\$ 122,992</u>	<u>\$ 122,992</u>

Interfund receivables and payables are recorded for payroll liabilities for the employee health and dental fund.

6. LONG-TERM OBLIGATION ACTIVITY

Changes in long-term obligations for the year ended June 30, 2004 are as follows:

	Balance June 30, 2003	Increases	Decreases	Balance June 30, 2004	Due Within One Year
General obligation bonds	\$ 6,480,000	\$ -	\$ 970,000	\$ 5,510,000	\$ 1,010,000
Capital lease obligations	298,580	62,143	92,342	268,381	84,051
Compensated absences	<u>3,481,097</u>	<u>2,812,337</u>	<u>2,553,556</u>	<u>3,739,878</u>	<u>2,743,385</u>
	<u>\$10,259,677</u>	<u>\$2,874,480</u>	<u>\$3,615,898</u>	<u>\$ 9,518,259</u>	<u>\$ 3,837,436</u>

General Obligation Bonds

General obligation Correctional Center bonds totaling \$5,510,000 are outstanding as of June 30, 2004. The bonds have interest rates ranging from 4.00 percent to 4.50 percent and mature in varying annual amounts ranging from \$65,000 to \$1,200,000 per issue with final maturities due in the year ended June 30, 2009. Interest and principal payments on all general obligation bonds are accounted for through the Debt Service Fund.

Summary of Bond Issues

General obligation bonds payable at June 30, 2004, are comprised of the following individual issues:

	Date of Issue	Amount Issued	Interest Rates	Outstanding June 30, 2004
General Obligation Bonds: Correctional Center	July, 1999	6,500,000	4.000 - 4.500%	<u>\$ 5,510,000</u>

Summary of Principal and Interest Maturities

Annual debt service requirements to service all outstanding general obligation bonds as of June 30, 2004 are as follows:

Year Ending June 30	Principal	Interest	Total
2005	\$ 1,010,000	\$ 241,322	\$ 1,251,322
2006	1,055,000	198,398	1,253,398
2007	1,100,000	152,505	1,252,505
2008	1,145,000	104,380	1,249,380
2009	1,200,000	54,000	1,254,000
Total	<u>\$ 5,510,000</u>	<u>\$ 750,605</u>	<u>\$ 6,260,605</u>

Debt Legal Compliance

In order to limit the liability of taxpayers, the State constitution of Iowa imposes a limit on the amount of debt local governments may incur. The County's debt limitation is five percent of its estimated actual valuation. This limitation applies only to general obligation indebtedness. At June 30, 2004, the statutory limit for the County was \$538,007,017, providing a legal debt margin of \$532,497,017.

Conduit Debt Obligations

From time to time, the County has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2004, there were 18 series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$26,389,067.

7. PENSION AND RETIREMENT BENEFITS

The County contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 3.7 percent of their annual covered salary and the County is required to contribute 5.75 percent of annual covered payroll. For law enforcement employees the percentages are 4.99 percent and 7.48 percent, while the percentages for conservation peace officers are 5.96 percent and 8.9 percent. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2004, 2003, and 2002 were \$2,016,519, \$1,952,425, and \$1,874,001 respectively, equal to the required contributions for each year.

8. DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with and intended to comply with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Effective January 1, 1999, the revised Linn County Deferred Compensation Plan required assets of the plan to be held in insurance annuity and custodial account contracts that meet the exclusive benefit and other requirements of Section 457(g) and 401(f) of the Internal Revenue Code. The terms of the insurance annuity and custodial contracts make it impossible, prior to the satisfaction of all liabilities with respect to the participants and beneficiaries, for any part of the assets and income of the contracts to be used for, or diverted to, any purpose other than for the exclusive benefit of the participants or beneficiaries.

Certain providers have not adopted the Linn County provider plan document. Assets of the plan held in insurance contracts or custodial accounts of those providers that do not meet the exclusive benefit and other requirements are held in trust by the County for the exclusive benefit of participants and their beneficiaries. Linn County is the trustee for the plan. Assets have been considered held because of the significant administrative involvement (withholding federal and state taxes from benefit payments and filing the required reports of withholdings with the appropriate federal and state agencies).

9. RISK MANAGEMENT

Health and Dental Benefits - The County has chosen to establish a risk-financing fund for risks associated with the employee health and dental insurance plans. The risk-financing fund, entitled "Employee Health and Dental Fund", is accounted for as an internal service fund where assets are set aside for claim settlements. A premium is charged to each fund that accounts for part-time or full-time employees. The total charge allocated to each of the funds (the allocation is based upon an estimated premium per employee within each of the County's funds) is calculated using trends in actual claims experience. Provisions are also made for unexpected and unusual claims.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claims liabilities are calculated and reevaluated periodically considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liabilities does not result in an exact amount. The estimated claims liabilities do not include any allocated or unallocated claim adjustment expenses. Changes in the balances of employee health and dental claims liabilities during the past year are as follows:

	Year ended June 30, 2004	Year ended June 30, 2003
Unpaid claims, beginning of year	\$ 841,200	\$ 828,500
Incurred claims	(6,820,023)	(6,165,726)
Claim payments	7,093,823	6,178,426
Unpaid claims, end of year	<u>\$ 1,115,000</u>	<u>\$ 841,200</u>

Self-insurance is in effect up to a calculated rating period aggregate deductible of \$6,834,385 for 2004. In addition, there is a stop loss amount of \$125,000 per individual covered. Coverage from a private insurance company is maintained for losses in excess of the stop loss amounts. There was no significant change in insurance coverage from the prior fiscal year. In each of the past three fiscal years, insurance coverage exceeded settlements. At June 30, 2004, the Employee Health and Dental Fund held \$1,009,466 in pooled cash and investments available for payment of these claims.

Unemployment Compensation - The County is self-insured for unemployment compensation. Claims for unemployment compensation are made from the governmental fund types. Unemployment compensation is charged quarterly to the applicable funds as the state assesses the County based on actual claims paid. The estimated claims liabilities do not include any allocated or unallocated claim adjustment expenditures. Changes in the balances of the claims liabilities during the past year are as follows:

	Year ended June 30, 2004	Year ended June 30, 2003
Unpaid claims, beginning of year	\$ -	\$ -
Incurred claims	(29,782)	(26,118)
Claim payments	29,782	26,118
Unpaid claims, end of year	<u>\$ -</u>	<u>\$ -</u>

Worker's Compensation and Tort Claims - The County has also chosen to establish a risk-financing fund for risks associated with worker's compensation and tort claims. The risk-financing fund, entitled "Self-Insurance Fund", is accounted for as an internal service fund where assets are set aside for claim settlements. Premiums are paid into the Self-Insurance Fund (the allocation is based upon the percentage of each fund's original budget as it relates to the total County original budget) and are calculated using trends in actual claims experience.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claims liabilities are calculated and reevaluated periodically considering the effects of inflation and recent claim settlement trends including frequency and amount of payouts. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liabilities does not result in an exact amount. The estimated claims liabilities do not include any allocated or unallocated claim adjustment expenses. Changes in the balances of claims liabilities during the past year are as follows:

	Year ended June 30, 2004	Year ended June 30, 2003
Unpaid claims, beginning of year	\$ 187,000	\$ 99,000
Incurred claims	(1,119,691)	(977,805)
Claim payments	1,152,691	1,065,805
Unpaid claims, end of year	<u>\$ 220,000</u>	<u>\$ 187,000</u>

At June 30, 2004, the Self-Insurance Fund held \$2,436,432 in pooled cash and investments available for payment of these claims.

10. INTERFUND TRANSFERS

Interfund Transfers Reconciliation

The detail of interfund transfers for the year ended June 30, 2004 is as follows:

	Interfund Transfers In	Interfund Transfers Out
General fund	\$ -	\$ 2,260,552
Secondary roads fund	3,916,081	-
Nonmajor governmental funds	1,141,063	2,796,592
Total	<u>\$ 5,057,144</u>	<u>\$ 5,057,144</u>

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

11. LEASE COMMITMENTS

The County is committed under various leases for office equipment. These leases have been classified as operating leases as defined by Financial Accounting Standards Board Statement No. 13, "Accounting for Leases," and, accordingly, all rents are charged to expenditures as incurred. The leases expire at various dates through 2009. The County has also entered into lease agreements to finance machinery and equipment classified as capital leases under Statement No. 13. Capital assets include machinery and equipment with a carrying value (cost) of \$451,581 relative to these capital leases.

The following is a schedule, by year, of future minimum rental payments required under capital leases and noncancelable operating leases that have initial or remaining lease terms in excess of one year at June 30, 2004:

<u>Year Ending June 30</u>	<u>Capital Leases</u>	<u>Operating Leases</u>
2005	\$ 95,126	\$ 321,047
2006	83,857	280,985
2007	75,330	285,112
2008	13,468	289,431
2009	27,195	114,714
Total minimum lease payments	294,976	<u>\$ 1,291,289</u>
Less amounts representing interest	(26,595)	
Present value of minimum lease payments	<u>\$ 268,381</u>	

Lease expenditures for the year ended June 30, 2004, for all operating leases were \$376,443.

12. CONTINGENCIES

Litigation

The County records liabilities resulting from claims and legal actions only when they become fixed or determinable in amount. Currently there are several lawsuits pending against the County. Although the outcome of these lawsuits is not presently determinable, it is the opinion of management and counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the County's financial position.

13. RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS

Annual budgets are prepared for all governmental fund types only. The budgets are prepared on the cash basis (budgetary basis). The differences between the cash basis (budgetary basis) and the modified accrual basis (generally accepted accounting principles [GAAP basis]) are that revenues are recorded when received in cash (budgetary basis) as opposed to when susceptible to accrual (GAAP basis), and expenditures are recorded when paid (budgetary basis) as opposed to when incurred (GAAP basis). Adjustments necessary to convert the actual results of operations for the year on the budgetary basis to the GAAP basis are as follows:

	Governmental Fund Types		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 82,937,963	\$ (653,662)	\$ 82,284,301
Expenditures	88,348,248	(526,768)	87,821,480
Net	(5,410,285)	(126,894)	(5,537,179)
Total other financing sources (uses)	31,869	62,143	94,012
Beginning fund balances	25,293,645	(1,072,518)	24,221,127
Decrease in reserve for inventories	-	(239,507)	(239,507)
Ending fund balances	<u>\$ 19,915,229</u>	<u>\$ (1,376,776)</u>	<u>\$ 18,538,453</u>

14. INVESTMENT IN JOINT VENTURE

The County is a participant in a joint venture agreement with the City of Cedar Rapids for the operation of the Cedar Rapids/Linn County Solid Waste Agency, an agency governing solid-waste issues for Linn County. The agency is responsible for the landfill closure and postclosure care costs of both governmental agencies. The County Board of Supervisors appoints three members, and the City of Cedar Rapids appoints six members to the nine-member Board of Directors.

The County has no liability for closure and postclosure care costs. All closure and postclosure care costs will be born by The Cedar Rapids/Linn County Solid Waste Agency.

The agreement with the City of Cedar Rapids became fully operative July 1, 1994, and continues until June 30, 2044. At the termination of this agreement, the assets and liabilities of the Cedar Rapids/Linn County Solid Waste Agency shall be divided based on the proportion of the City and County's population. At June 30, 2004, The agency's equity was \$21.1 million of which 11.0 percent or \$2,326,000 was the County's equity interest. The previous year, the equity interest for the County was \$2,418,000. Complete separate financial statements for the Cedar Rapids/Linn County Solid Waste Agency may be obtained from the administrative offices of the agency at 6301 Kirkwood Blvd. SW, Cedar Rapids, Iowa 52406.

15. BUDGETARY COMPLIANCE

The following table presented on the budgetary basis demonstrates the statutory compliance with the annual fiscal year 2004 budget:

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating:			
Public safety and legal services	\$ 17,582,684	\$ 17,559,129	\$ 23,555
Physical health and social services	13,859,807	13,845,018	14,789
Mental health	24,422,403	24,168,852	253,551
County environment and education	5,061,334	5,007,949	53,385
Roads and transportation	10,641,393	10,553,753	87,640
Governmental services to residents	3,028,471	2,986,264	42,207
Administration	8,536,269	8,430,519	105,750
Nonprogram	8,840	6,890	1,950
Debt service	1,251,687	1,251,687	-
Capital projects	4,649,925	4,538,187	111,738
Total expenditures	<u>\$ 89,042,813</u>	<u>\$ 88,348,248</u>	<u>\$ 694,565</u>

16. RESTATEMENT OF BEGINNING BALANCES

The restatement of the business type activities – Options of Linn County net assets was the result of changing the capitalization threshold from \$500 to \$5,000:

Net assets June 30, 2003 as previously reported	\$ 375,301
Adjustment -	
Effect of change in capitalization threshold	(10,710)
Net assets June 30, 2003 as restated	<u>\$ 364,591</u>

17. NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STANDARDS

The Governmental Accounting Standards Board (GASB) has issued five statements not yet implemented by Linn County. The statements, which might impact Linn County, are as follows:

Statement No. 40, *Deposit and Investment Risk Disclosures*, issued March 2003, will be effective for the County for the fiscal year ending June 30, 2005. This statement addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk.

Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, issued November 2003, will be effective for the County for the fiscal year ending June 30, 2006. This statement establishes accounting and financial reporting standards for impairment of capital assets and also clarifies and establishes accounting requirements for insurance recoveries.

Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* issued April 2004, will be effective for the County for the fiscal year ending June 30, 2008. This statement establishes uniform financial reporting standards for other postemployment benefit (OPEB) plans and supersedes the interim guidance included in Statement No. 26. This statement affects reporting by administrators or trustees of OPEB plan assets or by employers or sponsors that include OPEB plan assets as trust or agency funds in their financial reports.

Statement No. 44, *Economic Condition Reporting: The Statistical Section* issued May 2004, will be effective for the County for the fiscal year ending June 30, 2006. This statement amends previous guidance regarding preparation of the statistical section for governments that issue a comprehensive annual financial report.

Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* issued June 2004, will be effective for the County for the fiscal year ending June 30, 2009. This statement establishes standards for the measurement, recognition, and display of (OPEB) expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

The County's management has not yet determined the effect these statements will have on the County's financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF LINN, IOWA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 25,244,036	\$ 25,048,656	\$ 25,090,659	\$ 42,003
Other county taxes	1,914,660	1,549,627	1,550,667	1,040
Interest and penalty on taxes	475,000	634,525	651,146	16,621
Intergovernmental	14,141,088	15,793,554	15,571,041	(222,513)
Licenses and permits	549,285	581,471	575,094	(6,377)
Charges for services	4,564,806	5,763,701	5,801,079	37,378
Use of money and property	1,547,195	1,070,326	1,048,646	(21,680)
Miscellaneous	428,068	491,667	593,497	101,830
Total revenues	<u>48,864,138</u>	<u>50,933,527</u>	<u>50,881,829</u>	<u>(51,698)</u>
EXPENDITURES:				
Current:				
Public safety and legal services	16,903,337	17,582,684	17,559,129	23,555
Physical health and social services	12,798,006	13,859,807	13,845,018	14,789
County environment and education	4,339,295	4,610,172	4,567,439	42,733
Roads and transportation	1,297,415	1,443,712	1,435,996	7,716
Governmental services to residents	2,950,674	2,993,471	2,945,160	48,311
Administration	8,107,011	8,536,269	8,430,519	105,750
Nonprogram	14,840	8,840	6,890	1,950
Capital projects	-	20,571	20,571	-
Total expenditures	<u>46,410,578</u>	<u>49,055,526</u>	<u>48,810,722</u>	<u>244,804</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,453,560</u>	<u>1,878,001</u>	<u>2,071,107</u>	<u>193,106</u>
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	1,520	5,762	5,094	(668)
Transfers out	<u>(2,455,080)</u>	<u>(2,455,080)</u>	<u>(2,260,552)</u>	<u>194,528</u>
Total other financing sources (uses)	<u>(2,453,560)</u>	<u>(2,449,318)</u>	<u>(2,255,458)</u>	<u>193,860</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-	(571,317)	(184,351)	386,966
FUND BALANCES - BEGINNING	<u>11,602,645</u>	<u>13,236,065</u>	<u>13,236,065</u>	-
FUND BALANCES - ENDING	<u>\$ 11,602,645</u>	<u>\$ 12,664,748</u>	<u>\$ 13,051,714</u>	<u>\$ 386,966</u>

COUNTY OF LINN, IOWA

BUDGETARY COMPARISON SCHEDULE

MH-DD SERVICES FUND

YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 7,375,496	\$ 7,350,288	\$ 7,362,511	\$ 12,223
Other county taxes	556,960	449,465	450,128	663
Intergovernmental	13,295,457	13,284,986	14,320,897	1,035,911
Charges for services	431,850	1,439,243	495,391	(943,852)
Use of money and property	3,000	3,000	3,600	600
Miscellaneous	-	1,175	1,583	408
Total revenues	<u>21,662,763</u>	<u>22,528,157</u>	<u>22,634,110</u>	<u>105,953</u>
EXPENDITURES - Current - Mental health	<u>22,610,142</u>	<u>24,422,403</u>	<u>24,168,852</u>	<u>253,551</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(947,379)	(1,894,246)	(1,534,742)	359,504
FUND BALANCES - BEGINNING	<u>3,394,023</u>	<u>4,175,898</u>	<u>4,175,898</u>	-
FUND BALANCES - ENDING	<u>\$ 2,446,644</u>	<u>\$ 2,281,652</u>	<u>\$ 2,641,156</u>	<u>\$ 359,504</u>

COUNTY OF LINN, IOWA

BUDGETARY COMPARISON SCHEDULE

SECONDARY ROADS FUND

YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 4,404,228	\$ 4,697,856	\$ 4,623,439	\$ (74,417)
Licenses and permits	14,000	14,000	22,206	8,206
Charges for services	173,500	165,793	214,917	49,124
Miscellaneous	80,500	131,696	161,086	29,390
Total revenues	<u>4,672,228</u>	<u>5,009,345</u>	<u>5,021,648</u>	<u>12,303</u>
EXPENDITURES:				
Current -				
Roads and transportation	8,183,357	8,778,819	8,723,009	55,810
Capital projects	600,000	820,000	800,781	19,219
Total expenditures	<u>8,783,357</u>	<u>9,598,819</u>	<u>9,523,790</u>	<u>75,029</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,111,129)</u>	<u>(4,589,474)</u>	<u>(4,502,142)</u>	<u>87,332</u>
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	-	-	26,775	26,775
Transfers in	4,093,086	4,093,086	3,916,081	(177,005)
Total other financing sources (uses)	<u>4,093,086</u>	<u>4,093,086</u>	<u>3,942,856</u>	<u>(150,230)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(18,043)</u>	<u>(496,388)</u>	<u>(559,286)</u>	<u>(62,898)</u>
FUND BALANCES - BEGINNING	<u>927,304</u>	<u>1,584,341</u>	<u>1,584,341</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 909,261</u>	<u>\$ 1,087,953</u>	<u>\$ 1,025,055</u>	<u>\$ (62,898)</u>

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND OTHER SUPPLEMENTAL
INFORMATION

COUNTY OF LINN, IOWA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2004

	<u>Special</u>			
<u>ASSETS</u>	<u>Rural Services</u>	<u>Recorder's Records Management</u>	<u>Recorder's Electronic Fees</u>	<u>Conservation Reserve</u>
Cash and investments:				
Pooled cash and investments	\$ 467,680	\$ 185,592	\$ 22,689	\$ 126,674
Other county officials	-	16,160	-	-
Receivables:				
Property tax:				
Delinquent	10,211	-	-	-
Succeeding year	3,586,876	-	-	-
Accrued interest	-	15	-	-
Inventories	7,393	-	-	-
TOTAL ASSETS	<u>\$ 4,072,160</u>	<u>\$ 201,767</u>	<u>\$ 22,689</u>	<u>\$ 126,674</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES:				
Accounts payable	\$ 3,516	\$ -	\$ -	\$ 6,367
Salaries and benefits payable	11,549	-	-	-
Due to other funds	544	-	-	-
Deferred revenue:				
Succeeding year property tax	3,586,876	-	-	-
Other	9,383	-	-	-
Total liabilities	<u>3,611,868</u>	<u>-</u>	<u>-</u>	<u>6,367</u>
FUND BALANCES:				
Reserved for:				
Encumbrances	-	-	-	-
Inventories	7,393	-	-	-
Debt service	-	-	-	-
Unreserved	452,899	201,767	22,689	120,307
Total fund balances	<u>460,292</u>	<u>201,767</u>	<u>22,689</u>	<u>120,307</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,072,160</u>	<u>\$ 201,767</u>	<u>\$ 22,689</u>	<u>\$ 126,674</u>

Revenue Funds						
Conservation REAP	Air Pollution Title V	Local Option Sales Tax	Transfer of Jurisdiction	Debt Service	Capital Projects	Total
\$ 69,101	\$ 169,008	\$ 253,747	\$ 297	\$ 24,959	\$ 1,877,552	\$ 3,197,299
-	-	-	-	-	-	16,160
-	-	-	-	5,201	-	15,412
-	-	-	-	531,693	-	4,118,569
28	-	-	-	-	-	43
-	-	-	-	-	-	7,393
<u>\$ 69,129</u>	<u>\$ 169,008</u>	<u>\$ 253,747</u>	<u>\$ 297</u>	<u>\$ 561,853</u>	<u>\$ 1,877,552</u>	<u>\$ 7,354,876</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,339	\$ 34,222
-	-	-	-	-	-	11,549
-	-	-	-	-	-	544
-	-	-	-	-	-	-
-	-	-	-	531,693	-	4,118,569
-	-	-	-	2,753	-	12,136
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>534,446</u>	<u>24,339</u>	<u>4,177,020</u>
-	-	-	-	-	13,742	13,742
-	-	-	-	-	-	7,393
-	-	-	-	27,407	-	27,407
<u>69,129</u>	<u>169,008</u>	<u>253,747</u>	<u>297</u>	<u>-</u>	<u>1,839,471</u>	<u>3,129,314</u>
<u>69,129</u>	<u>169,008</u>	<u>253,747</u>	<u>297</u>	<u>27,407</u>	<u>1,853,213</u>	<u>3,177,856</u>
<u>\$ 69,129</u>	<u>\$ 169,008</u>	<u>\$ 253,747</u>	<u>\$ 297</u>	<u>\$ 561,853</u>	<u>\$ 1,877,552</u>	<u>\$ 7,354,876</u>

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2004

	Special			
	Rural Services	Recorder's Records Management	Recorder's Electronic Fees	Conservation Reserve
REVENUES:				
Property taxes	\$ 3,018,221	\$ -	\$ -	\$ -
Other county taxes	277,834	-	-	-
Intergovernmental	148,656	-	-	47,634
Charges for services	-	70,299	22,689	-
Use of money and property	-	2,510	-	31,600
Miscellaneous	-	-	-	52,754
Total revenues	<u>3,444,711</u>	<u>72,809</u>	<u>22,689</u>	<u>131,988</u>
EXPENDITURES:				
Current:				
County environment and education	428,236	-	-	10,711
Roads and transportation	263,213	-	-	-
Governmental services to residents	-	41,104	-	-
Capital projects	-	-	-	124,300
Debt service	-	-	-	-
Total expenditures	<u>691,449</u>	<u>41,104</u>	<u>-</u>	<u>135,011</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,753,262</u>	<u>31,705</u>	<u>22,689</u>	<u>(3,023)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	10,000
Transfers out	<u>(2,786,592)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,786,592)</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(33,330)	31,705	22,689	6,977
INCREASE (DECREASE) IN INVENTORY RESERVES	<u>5,508</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES FOR YEAR	(27,822)	31,705	22,689	6,977
FUND BALANCES AT BEGINNING OF YEAR	<u>488,114</u>	<u>170,062</u>	<u>-</u>	<u>113,330</u>
FUND BALANCES AT END OF YEAR	<u>\$ 460,292</u>	<u>\$ 201,767</u>	<u>\$ 22,689</u>	<u>\$ 120,307</u>

Revenue Funds						
Conservation REAP	Air Pollution Title V	Local Option Sales Tax	Transfer of Jurisdiction	Debt Service	Capital Projects	Total
\$ -	\$ -	\$ -	\$ -	\$ 469,907	\$ -	\$ 3,488,128
-	-	9,610	-	27,155	-	314,599
50,683	-	-	125,755	16,236	9,689	398,653
-	-	-	-	-	-	92,988
300	-	9,728	542	-	-	44,680
-	-	-	-	-	1,880	54,634
<u>50,983</u>	<u>-</u>	<u>19,338</u>	<u>126,297</u>	<u>513,298</u>	<u>11,569</u>	<u>4,393,682</u>
-	-	-	-	-	-	438,947
-	-	-	126,000	-	-	389,213
-	-	-	-	-	-	41,104
21,862	-	1,937,399	-	-	1,499,915	3,583,476
-	-	-	-	1,251,687	-	1,251,687
<u>21,862</u>	<u>-</u>	<u>1,937,399</u>	<u>126,000</u>	<u>1,251,687</u>	<u>1,499,915</u>	<u>5,704,427</u>
<u>29,121</u>	<u>-</u>	<u>(1,918,061)</u>	<u>297</u>	<u>(738,389)</u>	<u>(1,488,346)</u>	<u>(1,310,745)</u>
-	-	-	-	731,063	400,000	1,141,063
-	-	-	-	-	(10,000)	(2,796,592)
-	-	-	-	731,063	390,000	(1,655,529)
29,121	-	(1,918,061)	297	(7,326)	(1,098,346)	(2,966,274)
-	-	-	-	-	-	5,508
29,121	-	(1,918,061)	297	(7,326)	(1,098,346)	(2,960,766)
<u>40,008</u>	<u>169,008</u>	<u>2,171,808</u>	<u>-</u>	<u>34,733</u>	<u>2,951,559</u>	<u>6,138,622</u>
<u>\$ 69,129</u>	<u>\$ 169,008</u>	<u>\$ 253,747</u>	<u>\$ 297</u>	<u>\$ 27,407</u>	<u>\$ 1,853,213</u>	<u>\$ 3,177,856</u>

COUNTY OF LINN, IOWA

INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit on a cost-reimbursement basis. The funds included in this category and their purposes are as follows:

Employee Health and Dental Fund - To account for the County's self-insurance for health and dental insurance benefits provided by governmental funds to employees. Costs are billed to governmental funds and employees based upon historical claims experience.

Self-Insurance Fund - To account for the County's self-insurance for worker's compensation and tort. Costs are billed to governmental funds based upon actual claims and estimated incurred but not reported claims. The general fund provided the contributed capital.

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF NET ASSETS – INTERNAL SERVICE FUNDS
JUNE 30, 2004

	Employee Health and Dental Fund	Self- Insurance Fund	Total
ASSETS:			
Pooled cash and investments	\$ 1,009,466	\$ 2,436,432	\$ 3,445,898
Receivables - accrued interest	-	254	254
Due from other funds	122,992	-	122,992
Due from other governments	4,008	-	4,008
TOTAL ASSETS	<u>1,136,466</u>	<u>2,436,686</u>	<u>3,573,152</u>
LIABILITIES:			
Current liabilities:			
Accounts payable	1,115,000	220,000	1,335,000
Due to individuals and private entities	<u>21,202</u>	<u>-</u>	<u>21,202</u>
Total current liabilities	<u>1,136,202</u>	<u>220,000</u>	<u>1,356,202</u>
NET ASSETS - Unrestricted	<u>\$ 264</u>	<u>\$ 2,216,686</u>	<u>\$ 2,216,950</u>

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET
ASSETS – INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2004

	Employee Health and Dental Fund	Self- Insurance Fund	Total
OPERATING REVENUES - Charges for services	\$ 6,930,517	\$ 577,752	\$ 7,508,269
OPERATING EXPENSES - Claims and administrative expenses	<u>7,093,823</u>	<u>1,152,691</u>	<u>8,246,514</u>
OPERATING LOSS	(163,306)	(574,939)	(738,245)
NON-OPERATING REVENUES - Interest income	<u>-</u>	<u>15,316</u>	<u>15,316</u>
CHANGE IN NET ASSETS	(163,306)	(559,623)	(722,929)
TOTAL NET ASSETS - BEGINNING	<u>163,570</u>	<u>2,776,309</u>	<u>2,939,879</u>
TOTAL NET ASSETS - ENDING	<u>\$ 264</u>	<u>\$ 2,216,686</u>	<u>\$ 2,216,950</u>

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2004

	Employee Health and Dental Fund	Self- Insurance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from other funds	\$ 7,429,512	\$ 1,047,752	\$ 8,477,264
Cash received from insurance claims	134,451	-	134,451
Cash received from employees	229,005	-	229,005
Cash paid to employees	(75,437)	-	(75,437)
Cash paid for insurance claims and premiums	(6,560,879)	(891,343)	(7,452,222)
Cash paid for services	<u>(297,036)</u>	<u>(228,348)</u>	<u>(525,384)</u>
NET CASH FROM (FOR) OPERATING ACTIVITIES	859,616	(71,939)	787,677
CASH FLOWS FROM INVESTING ACTIVITIES - Interest on investments	<u>-</u>	<u>17,011</u>	<u>17,011</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	859,616	(54,928)	804,688
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>149,850</u>	<u>2,491,360</u>	<u>2,641,210</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,009,466</u>	<u>\$ 2,436,432</u>	<u>\$ 3,445,898</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM (FOR) OPERATING ACTIVITIES:			
OPERATING (LOSS)	<u>\$ (163,306)</u>	<u>\$ (574,939)</u>	<u>\$ (738,245)</u>
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH FROM (FOR) OPERATING ACTIVITIES:			
Decrease in due from other funds	726,828	470,000	1,196,828
Decrease in due from other governments	1,172	-	1,172
Increase in due to individuals and private entities	21,122	-	21,122
Increase in accounts payable	<u>273,800</u>	<u>33,000</u>	<u>306,800</u>
Total adjustments	<u>1,022,922</u>	<u>503,000</u>	<u>1,525,922</u>
NET CASH FROM (FOR) OPERATING ACTIVITIES	<u>\$ 859,616</u>	<u>\$ (71,939)</u>	<u>\$ 787,677</u>

COUNTY OF LINN, IOWA

AGENCY FUNDS

Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds. The funds included in this category and their purposes are as follows:

Taxing Districts - The County collects property and related state replacement taxes for other local governments. Collected taxes are apportioned and remitted to the appropriate local government. Funds included in this category are as follows:

- Agricultural Extension Service Fund
- Monies and Credits Fund
- Community College Taxing District Fund
- City Taxing Districts Fund
- School Taxing Districts Fund
- Fire Taxing Districts Fund
- Tax Financing Funds
- Township Taxing Districts Fund

County Offices and Other Agency Funds - To account for funds received by various County offices, which have been remitted to the County Treasurer, who acts as trustee for all pooled cash and investments of the County, or to other individuals, private entities or other governments. Funds included in this category are as follows:

- Mental Health Agency Fund
- County Recorder Agency Fund
- County Sheriff Agency Fund
- Other Agency Funds

Motor Vehicle License and Use Tax Fund - To account for motor vehicle licenses and use taxes collected for the State of Iowa.

Tax Sale Redemption Fund - To account for interest and penalty received from taxpayers for delinquent property taxes sold to individuals and private entities.

(Continued)

COUNTY OF LINN, IOWA

AGENCY FUNDS (CONTINUED)

Emergency Management Fund –To account for revenues to be used to assist the residents of the County in times of disasters.

County Assessor Fund - To account for the taxes levied to assess valuations on all properties within the County, excluding the City of Cedar Rapids, Iowa.

County Assessor Special Fund - To account for the taxes levied to perform special appraisals on valuations of properties within the County, excluding the City of Cedar Rapids, Iowa.

City Assessor Fund - To account for the taxes levied to assess valuations on properties within the City of Cedar Rapids, Iowa.

City Assessor Special Fund - To account for the taxes levied to perform special appraisals on valuations of properties within the City of Cedar Rapids, Iowa.

COUNTY OF LINN, IOWACOMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2004

<u>AGRICULTURAL EXTENSION SERVICE FUND</u>	<u>Balance July 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2004</u>
ASSETS:				
Pooled cash and investments	\$ 2,419	\$ 266,018	\$ 265,805	\$ 2,632
Receivables - Property taxes:				
Delinquent	2,196	257,305	256,895	2,606
Succeeding year	266,591	332,063	266,591	332,063
Due from other governments	-	8,713	8,713	-
TOTAL ASSETS	<u>\$ 271,206</u>	<u>\$ 864,099</u>	<u>\$ 798,004</u>	<u>\$ 337,301</u>
LIABILITIES - Due to other governments	<u>\$ 271,206</u>	<u>\$ 600,687</u>	<u>\$ 534,592</u>	<u>\$ 337,301</u>
 <u>MOTOR VEHICLE LICENSE AND USE TAX FUND</u>				
ASSETS - Pooled cash and investments	<u>\$ 3,454,319</u>	<u>\$ 42,240,065</u>	<u>\$ 42,164,659</u>	<u>\$ 3,529,725</u>
LIABILITIES - Due to other governments	<u>\$ 3,454,319</u>	<u>\$ 42,240,065</u>	<u>\$ 42,164,659</u>	<u>\$ 3,529,725</u>
 <u>MONIES AND CREDITS FUND</u>				
ASSETS:				
Pooled cash and investments	\$ -	\$ 41,698	\$ 39,983	\$ 1,715
Receivables - Property taxes - delinquent	-	41,698	41,698	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 83,396</u>	<u>\$ 81,681</u>	<u>\$ 1,715</u>
LIABILITIES - Due to other governments	<u>\$ -</u>	<u>\$ 41,698</u>	<u>\$ 39,983</u>	<u>\$ 1,715</u>

(Continued)

COUNTY OF LINN, IOWACOMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2004 (CONTINUED)

<u>COMMUNITY COLLEGE TAXING DISTRICT FUND</u>	<u>Balance July 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2004</u>
ASSETS:				
Pooled cash and investments	\$ 41,316	\$ 4,631,127	\$ 4,626,622	\$ 45,821
Receivables - Property taxes:				
Delinquent	37,506	4,479,446	4,471,579	45,373
Succeeding year	4,641,106	4,694,330	4,641,106	4,694,330
Due from other governments	-	151,681	151,681	-
TOTAL ASSETS	\$ 4,719,928	\$ 13,956,584	\$ 13,890,988	\$ 4,785,524
LIABILITIES - Due to other governments	\$ 4,719,928	\$ 9,370,830	\$ 9,305,234	\$ 4,785,524
 <u>CITY TAXING DISTRICTS FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 747,191	\$ 75,588,910	\$ 75,587,614	\$ 748,487
Receivables:				
Property taxes:				
Delinquent	692,509	73,218,162	73,070,108	840,563
Succeeding year	75,709,949	79,232,924	75,709,949	79,232,924
Special assessments	19,738	-	(3,534)	23,272
Due from other governments	-	2,370,748	2,370,748	-
TOTAL ASSETS	\$ 77,169,387	\$ 230,410,744	\$ 226,734,885	\$ 80,845,246
LIABILITIES - Due to other governments	\$ 77,169,387	\$ 155,685,669	\$ 152,009,810	\$ 80,845,246
 <u>SCHOOL TAXING DISTRICTS FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 964,423	\$ 107,265,408	\$ 107,172,857	\$ 1,056,974
Receivables - Property taxes:				
Delinquent	871,331	103,776,958	103,613,851	1,034,438
Succeeding year	107,489,017	114,128,151	107,489,017	114,128,151
Due from other governments	-	3,488,450	3,488,450	-
TOTAL ASSETS	\$ 109,324,771	\$ 328,658,967	\$ 321,764,175	\$ 116,219,563
LIABILITIES - Due to other governments	\$ 109,324,771	\$ 222,427,997	\$ 215,533,205	\$ 116,219,563

(Continued)

COUNTY OF LINN, IOWACOMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2004 (CONTINUED)

	Balance July 1, 2003	Additions	Deductions	Balance June 30, 2004
<u>TAX SALE REDEMPTION FUND</u>				
ASSETS - Pooled cash and investments	\$ 279,141	\$ 2,217,260	\$ 2,157,368	\$ 339,033
LIABILITIES - Due to individuals and private entities	\$ 279,141	\$ 2,217,260	\$ 2,157,368	\$ 339,033
<u>MENTAL HEALTH AGENCY FUND</u>				
ASSETS - Cash - Other county officials	\$ 587,002	\$ 4,238,915	\$ 4,227,703	\$ 598,214
LIABILITIES - Due to individuals and private entities	\$ 587,002	\$ 4,238,915	\$ 4,227,703	\$ 598,214
<u>COUNTY RECORDER AGENCY FUND</u>				
ASSETS:				
Cash - Other county officials	\$ 150,774	\$ 4,006,602	\$ 3,962,222	\$ 195,154
Due from individuals and private entities	1,197	4,343	1,197	4,343
TOTAL ASSETS	\$ 151,971	\$ 4,010,945	\$ 3,963,419	\$ 199,497
LIABILITIES - Due to other governments	\$ 151,971	\$ 4,010,945	\$ 3,963,419	\$ 199,497
<u>COUNTY SHERIFF AGENCY FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 15,420	\$ -	\$ -	\$ 15,420
Cash - Other county officials	357,909	15,766,760	15,810,667	314,002
TOTAL ASSETS	\$ 373,329	\$ 15,766,760	\$ 15,810,667	\$ 329,422
LIABILITIES:				
Due to other governments	\$ 37,780	\$ 1,932,798	\$ 1,924,554	\$ 46,024
Due to individuals and private entities	335,549	13,833,962	13,886,113	283,398
TOTAL LIABILITIES	\$ 373,329	\$ 15,766,760	\$ 15,810,667	\$ 329,422

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2004 (CONTINUED)

	Balance July 1, 2003	Additions	Deductions	Balance June 30, 2004
<u>FIRE TAXING DISTRICTS FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 2,765	\$ 218,117	\$ 218,788	\$ 2,094
Receivables - Property taxes:				
Delinquent	730	208,721	208,422	1,029
Succeeding year	218,459	212,663	218,459	212,663
Due from other governments	-	9,396	9,396	-
TOTAL ASSETS	<u>\$ 221,954</u>	<u>\$ 648,897</u>	<u>\$ 655,065</u>	<u>\$ 215,786</u>
LIABILITIES - Due to other governments	<u>\$ 221,954</u>	<u>\$ 431,809</u>	<u>\$ 437,977</u>	<u>\$ 215,786</u>
<u>TAX FINANCING FUNDS</u>				
ASSETS:				
Pooled cash and investments	\$ 96,404	\$ 10,897,975	\$ 10,856,247	\$ 138,132
Receivables - Property taxes:				
Delinquent	192,410	10,775,723	10,679,531	288,602
Succeeding year	11,117,679	13,358,002	11,117,679	13,358,002
Due from other governments	-	122,252	122,252	-
TOTAL ASSETS	<u>\$ 11,406,493</u>	<u>\$ 35,153,952</u>	<u>\$ 32,775,709</u>	<u>\$ 13,784,736</u>
LIABILITIES - Due to other governments	<u>\$ 11,406,493</u>	<u>\$ 24,544,579</u>	<u>\$ 22,166,336</u>	<u>\$ 13,784,736</u>
<u>TOWNSHIP TAXING DISTRICTS FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 5,579	\$ 510,902	\$ 510,636	\$ 5,845
Receivables - Property taxes:				
Delinquent	1,290	488,612	488,680	1,222
Succeeding year	510,461	523,598	510,461	523,598
Due from other governments	-	22,290	22,290	-
TOTAL ASSETS	<u>\$ 517,330</u>	<u>\$ 1,545,402</u>	<u>\$ 1,532,067</u>	<u>\$ 530,665</u>
LIABILITIES - Due to other governments	<u>\$ 517,330</u>	<u>\$ 1,035,722</u>	<u>\$ 1,022,387</u>	<u>\$ 530,665</u>

(Continued)

COUNTY OF LINN, IOWACOMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2004 (CONTINUED)

	Balance July 1, 2003	Additions	Deductions	Balance June 30, 2004
<u>EMERGENCY MANAGEMENT FUND</u>				
ASSETS - Pooled cash and investments	\$ 127,232	\$ 516,084	\$ 463,527	\$ 179,789
LIABILITIES - Due to other governments	\$ 127,232	\$ 516,084	\$ 463,527	\$ 179,789
<u>COUNTY ASSESSOR FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 57,429	\$ 547,853	\$ 544,080	\$ 61,202
Receivables - Property taxes:				
Delinquent	1,684	509,892	509,889	1,687
Succeeding year	529,088	556,647	529,088	556,647
Due from other governments	-	37,961	37,961	-
TOTAL ASSETS	\$ 588,201	\$ 1,652,353	\$ 1,621,018	\$ 619,536
LIABILITIES - Due to other governments	\$ 588,201	\$ 1,214,144	\$ 1,182,809	\$ 619,536
<u>COUNTY ASSESSOR SPECIAL FUND</u>				
ASSETS:				
Pooled cash and investments	\$ 67,589	\$ 54,655	\$ 62,139	\$ 60,105
Receivables - Property taxes:				
Delinquent	351	52,403	52,581	173
Succeeding year	54,387	54,972	54,387	54,972
Due from other governments	-	2,252	2,252	-
TOTAL ASSETS	\$ 122,327	\$ 164,282	\$ 171,359	\$ 115,250
LIABILITIES - Due to other governments	\$ 122,327	\$ 109,800	\$ 116,877	\$ 115,250

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2004 (CONTINUED)

<u>CITY ASSESSOR FUND</u>	<u>Balance July 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2004</u>
ASSETS:				
Pooled cash and investments	\$ 220,259	\$ 1,152,186	\$ 1,072,265	\$ 300,180
Receivables - Property taxes:				
Delinquent	10,780	1,115,846	1,111,500	15,126
Succeeding year	1,155,263	1,082,568	1,155,263	1,082,568
Due from other governments	-	36,340	36,340	-
TOTAL ASSETS	<u>\$ 1,386,302</u>	<u>\$ 3,386,940</u>	<u>\$ 3,375,368</u>	<u>\$ 1,397,874</u>
LIABILITIES - Due to other governments	<u>\$ 1,386,302</u>	<u>\$ 2,249,880</u>	<u>\$ 2,238,308</u>	<u>\$ 1,397,874</u>

CITY ASSESSOR SPECIAL FUND

ASSETS:				
Pooled cash and investments	\$ 666,814	\$ 448,775	\$ 749,720	\$ 365,869
Receivables - Property taxes:				
Delinquent	6,183	436,019	436,291	5,911
Succeeding year	451,423	608,027	451,423	608,027
Due from other governments	-	12,756	12,756	-
TOTAL ASSETS	<u>\$ 1,124,420</u>	<u>\$ 1,505,577</u>	<u>\$ 1,650,190</u>	<u>\$ 979,807</u>
LIABILITIES - Due to other governments	<u>\$ 1,124,420</u>	<u>\$ 1,062,713</u>	<u>\$ 1,207,326</u>	<u>\$ 979,807</u>

(Continued)

COUNTY OF LINN, IOWA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2004 (CONTINUED)

<u>OTHER AGENCY FUNDS</u>	<u>Balance July 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2004</u>
ASSETS:				
Cash and investments:				
Pooled cash and investments	\$ 345,231	\$ 1,308,307	\$ 1,102,802	\$ 550,736
Cash - Other county officials	44,409	428,872	425,894	47,387
Receivables:				
Property taxes:				
Delinquent	225	26,341	26,299	267
Succeeding year	27,292	28,058	27,292	28,058
Special assessments	65,506	332,821	326,414	71,913
Due from other governments	-	892	892	-
TOTAL ASSETS	<u>\$ 482,663</u>	<u>\$ 2,125,291</u>	<u>\$ 1,909,593</u>	<u>\$ 698,361</u>
LIABILITIES:				
Due to other governments	\$ 430,282	\$ 1,081,491	\$ 907,972	\$ 603,801
Due to individuals and private entities	52,381	755,926	713,747	94,560
TOTAL LIABILITIES	<u>\$ 482,663</u>	<u>\$ 1,837,417</u>	<u>\$ 1,621,719</u>	<u>\$ 698,361</u>
<u>TOTAL ALL AGENCY FUNDS</u>				
ASSETS:				
Cash and investments:				
Pooled cash and investments	\$ 7,093,531	\$ 247,905,340	\$ 247,595,112	\$ 7,403,759
Cash - Other county officials	1,140,094	24,441,149	24,426,486	1,154,757
Receivables:				
Property taxes:				
Delinquent	1,817,195	195,387,126	194,967,324	2,236,997
Succeeding year	202,170,715	214,812,003	202,170,715	214,812,003
Special assessments	85,244	332,821	322,880	95,185
Due from other governments	-	6,263,731	6,263,731	-
Due from individuals and private entities	1,197	4,343	1,197	4,343
TOTAL ASSETS	<u>\$ 212,307,976</u>	<u>\$ 689,146,513</u>	<u>\$ 675,747,445</u>	<u>\$ 225,707,044</u>
LIABILITIES:				
Due to other governments	\$ 211,053,903	\$ 468,556,911	\$ 455,218,975	\$ 224,391,839
Due to individuals and private entities	1,254,073	21,046,063	20,984,931	1,315,205
TOTAL LIABILITIES	<u>\$ 212,307,976</u>	<u>\$ 489,602,974</u>	<u>\$ 476,203,906</u>	<u>\$ 225,707,044</u>

STATISTICAL SECTION

STATISTICAL SECTION
(UNAUDITED)

COUNTY OF LINN, IOWA
GOVERNMENT-WIDE EXPENSES BY FUNCTION
LAST TWO FISCAL YEARS (1)

<u>Fiscal Year</u>	<u>Public Safety and Legal Services</u>	<u>Physical Health and Social Services</u>	<u>Mental Health</u>	<u>County Environment and Education</u>	<u>Roads and Transportation</u>
2002 - 2003	\$ 17,265,998	\$ 12,848,022	\$ 21,992,918	\$ 4,114,844	\$ 13,487,342
2003 - 2004	18,237,081	13,927,908	24,531,208	4,728,151	13,749,363

(1) Fiscal year 2003 is the first year shown because that was the year GASB 34 was implemented.

Governmental Services to Residents	Administration	Nonprogram Services	Interest on Long-term Debt	Options of Linn County	Total
\$ 2,820,173	\$ 9,171,584	\$ 2,576	\$ 316,828	\$ 688,985	\$ 82,709,270
3,010,327	8,758,404	6,860	278,323	737,078	87,964,703

COUNTY OF LINN, IOWA
GOVERNMENT-WIDE REVENUES
LAST TWO FISCAL YEARS (1)

Fiscal Year	Program Revenues			Taxes and Credits
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
2002 - 2003	\$ 22,508,078	\$ 18,780,544	\$ -	\$ 42,725,387
2003 - 2004	16,070,273	25,943,194	4,598,938	40,437,928

(1) Fiscal year 2003 is the first year shown because that was the year GASB 34 was implemented.

General Revenues				
Investment Income	Other General Revenue	Joint Venture	Miscellaneous	Total
\$ 1,064,635	\$ 475,745	\$ 321,000	\$ 22,695	\$ 85,898,084
537,399	481,627	(92,000)	(5,875)	87,971,484

COUNTY OF LINN, IOWA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS (1)

Fiscal Year	Public Safety and Legal Services	Court Services (2)	Physical Health and Social Services	Mental Health	Social Services (2)	County Environment and Education
1994 - 1995	\$ 8,670,014	\$ 1,140,709	\$ 1,879,444	\$ 17,124,999	\$ 5,461,357	\$ 2,536,642
1995 - 1996	9,173,539	1,158,351	1,947,324	16,508,168	6,302,698	2,650,813
1996 - 1997	9,852,656	1,185,570	1,923,539	17,253,461	5,839,584	2,886,298
1997 - 1998	10,221,473	1,183,105	1,978,422	17,476,638	6,155,235	3,059,847
1998 - 1999	10,936,519	1,275,900	2,099,770	18,107,906	7,068,015	3,080,551
1999 - 2000	12,129,065	1,390,363	2,400,498	19,570,216	9,062,098	3,433,903
2000 - 2001	13,354,410	1,458,830	2,632,832	20,147,413	9,785,001	3,654,447
2001 - 2002	14,094,351	1,377,542	2,930,907	22,274,838	10,237,674	4,712,929
2002 - 2003	16,953,422	-	12,736,219	21,979,055	-	4,876,818
2003 - 2004	17,757,760	-	13,600,133	24,278,308	-	5,007,238

(1) Includes general, special revenue, debt service and capital projects funds.

(2) For fiscal year 2003 and subsequent years, court services and social services are absorbed into other functions.

Roads and Transportation	Governmental Services to Residents	Admini- stration	Nonprogram Services	Capital Projects	Debt Service	Total
\$ 6,806,129	\$ 2,069,529	\$ 5,746,468	\$ 1,505	\$ 1,606,906	\$ 1,051,661	\$ 54,095,363
7,015,402	2,062,336	5,700,811	3,440	3,805,443	982,349	57,310,674
7,766,270	2,202,463	5,977,139	10,571	3,429,753	1,199,005	59,526,309
8,844,027	2,376,434	5,944,972	32,067	4,400,687	1,240,471	62,913,378
9,335,612	2,331,409	6,537,794	68,817	8,131,937	1,313,673	70,287,903
9,772,556	2,494,113	7,076,177	707	8,539,878	1,452,700	77,322,274
9,731,597	2,680,128	7,859,179	1,114	5,370,517	1,255,827	77,931,295
9,323,246	2,781,273	7,520,419	11,243	3,114,290	1,256,140	79,634,852
10,687,480	2,805,022	8,499,141	2,576	5,589,501	1,255,023	85,384,257
10,601,343	2,947,699	8,005,077	6,860	4,365,375	1,251,687	87,821,480

COUNTY OF LINN, IOWA

GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS (1)

Fiscal Year	Taxes (2)	Intergovernmental	Licenses and Permits
1994 - 1995	\$ 34,191,408	\$ 15,268,967	\$ 369,345
1995 - 1996	32,407,427	20,872,087	384,417
1996 - 1997	33,135,805	21,252,192	418,433
1997 - 1998	32,769,367	24,016,421	423,850
1998 - 1999	33,559,092	26,190,892	504,055
1999 - 2000	34,973,553	29,643,707	596,013
2000 - 2001	35,130,639	32,391,705	518,372
2001 - 2002	37,395,870	33,040,490	503,971
2002 - 2003	40,977,734	34,972,927	594,177
2003 - 2004	38,950,330	34,472,660	595,599

(1) Includes general, special revenue, debt service and capital projects funds.

(2) Includes property taxes, other county taxes and interest and penalty on delinquent property.

Charges for Services		Use of Money and Property		Miscellaneous		Total
\$	3,177,510	\$	1,729,063	\$	494,998	\$ 55,231,291
	3,736,387		2,138,261		455,235	59,993,814
	3,758,159		2,271,915		482,195	61,318,699
	4,286,683		2,552,685		525,567	64,574,573
	4,445,298		2,496,345		477,526	67,673,208
	4,652,651		3,057,935		710,724	73,634,583
	4,950,896		3,071,200		1,357,377	77,420,189
	5,609,963		2,068,143		883,533	79,501,970
	6,404,405		1,528,756		704,110	85,182,109
	6,384,708		1,074,779		806,225	82,284,301

COUNTY OF LINN, IOWA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Total Tax Levy (1)	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections
1994 - 1995	\$ 155,509,903	\$ 154,273,007	99.20%	\$ 1,239,908
1995 - 1996	158,906,672	157,635,080	99.20%	1,161,944
1996 - 1997	162,554,896	161,256,850	99.20%	984,093
1997 - 1998	169,467,935	168,218,153	99.26%	963,479
1998 - 1999	180,416,387	179,902,631	99.72%	409,445
1999 - 2000	187,404,144	186,770,186	99.66%	782,052
2000 - 2001	179,350,299	178,975,030	99.79%	238,676
2001 - 2002	191,802,323	191,153,631	99.66%	269,823
2002 - 2003	214,318,492	212,848,904	99.31%	1,076,619
2003 - 2004	222,054,432	220,779,615	99.43%	978,045

(1) Years 1994 - 1995 through 1999 - 2000 included gas and electric utilities which in subsequent years were reported as other county taxes.

(2) Total tax collections solely for Linn County were:

1994 - 1995	\$ 33,667,077
1995 - 1996	31,887,517
1996 - 1997	32,610,124
1997 - 1998	32,256,507
1998 - 1999	32,971,996
1999 - 2000	34,389,042
2000 - 2001	31,883,037
2001 - 2002	32,698,631
2002 - 2003	34,630,969
2003 - 2004	36,018,737

(3) Property taxes receivable per the financial statements included real estate, personal property, telephone and railroad utilities and mobile home; outstanding delinquent taxes included real estate and personal property.

Total Tax Collections (2)		Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes (3)		Ratio of Delinquent Taxes to Total Tax Levy
\$	155,512,915	100.00%	\$	2,565,014	1.65%
	158,797,024	99.93%		2,340,024	1.47%
	162,240,943	99.81%		2,392,432	1.47%
	169,181,632	99.83%		1,108,318	0.65%
	180,312,076	99.94%		1,638,363	0.91%
	187,552,238	100.08%		1,231,368	0.66%
	179,213,706	99.92%		1,054,962	0.59%
	191,423,454	99.80%		1,801,396	0.94%
	213,925,523	99.82%		2,016,435	0.94%
	221,757,660	99.87%		2,480,451	1.12%

COUNTY OF LINN, IOWA

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Real Property		Utilities	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1994 - 1995	\$ 4,433,713,672	\$ 5,657,696,003	\$ 463,555,120	\$ 463,555,120
1995 - 1996	4,529,255,550	5,816,242,295	512,220,098	526,926,621
1996 - 1997	4,795,475,800	6,701,365,925	514,443,202	515,044,220
1997 - 1998	4,975,667,792	6,924,803,881	539,699,489	539,699,489
1998 - 1999	5,260,836,642	7,738,539,144	580,463,958	580,891,776
1999 - 2000	5,533,868,632	7,946,111,026	577,014,552	577,014,552
2000 - 2001	5,633,586,169	8,261,850,999	548,655,126	548,866,136
2001 - 2002	5,844,758,398	8,458,965,771	542,304,433	542,304,433
2002 - 2003	6,114,766,709	9,501,487,451	544,355,480	544,704,241
2003 - 2004	6,358,164,571	9,836,886,001	559,509,682	559,509,682

Total		Ratio of Total Assessed Value to Total Estimated Actual Value	Tax Incremental Financing District Value
Assessed Value	Estimated Actual Value		
\$ 4,897,268,792	\$ 6,121,251,123	80.00%	\$ 196,247,435
5,041,475,648	6,343,168,916	79.48%	222,579,123
5,309,919,002	7,216,410,145	73.58%	194,427,200
5,515,367,281	7,464,503,370	73.89%	226,457,941
5,841,300,600	8,319,430,920	70.21%	275,471,320
6,110,883,184	8,523,125,578	71.70%	296,725,902
6,182,241,295	8,810,717,135	70.17%	288,009,253
6,387,062,831	9,001,270,204	70.96%	342,956,855
6,659,122,189	10,046,191,692	66.29%	438,366,005
6,917,674,253	10,396,395,683	66.54%	363,744,666

COUNTY OF LINN, IOWA

PROPERTY TAX RATES PER \$1,000 TAXABLE VALUATION – ALL DIRECT AND OVERLAPPING
GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	Taxing Body	City of Cedar Rapids					City of Hiawatha
		Cedar Rapids Schools	College Community Schools	Marion Schools	Linn-Mar Schools		
1994-1995	City	\$ 12.11746	\$ 12.11746	\$ 12.11746	\$ 12.11746		\$ 9.65988
	School District	13.36995	13.07142	15.52113	14.30877		13.36995
	Kirkwood Comm						
	College	0.53035	0.53035	0.53035	0.53035		0.53035
	Assessor	0.29138	0.29138	0.29138	0.29138		0.30473
	County	6.70659	6.70659	6.70659	6.70659		6.70659
	Other (1)	0.03580	0.03580	0.03580	0.03580		0.03580
	Total Levy	<u>\$ 33.05153</u>	<u>\$ 32.75300</u>	<u>\$ 35.20271</u>	<u>\$ 33.99035</u>		<u>\$ 30.60730</u>
Percent of Linn County to totals		<u>20.29%</u>	<u>20.48%</u>	<u>19.05%</u>	<u>19.73%</u>		<u>21.91%</u>
1995-1996	City	\$ 12.09999	\$ 12.09999	\$ 12.09999	\$ 12.09999		\$ 10.95618
	School District	13.40785	13.11399	15.34153	14.42720		13.40785
	Kirkwood Comm						
	College	0.59316	0.59316	0.59316	0.59316		0.59316
	Assessor	0.26867	0.26867	0.26867	0.26867		0.30581
	County	6.13757	6.13757	6.13757	6.13757		6.13757
	Other (1)	0.03475	0.03475	0.03475	0.03475		0.03475
	Total Levy	<u>\$ 32.54199</u>	<u>\$ 32.24813</u>	<u>\$ 34.47567</u>	<u>\$ 33.56134</u>		<u>\$ 31.43532</u>
Percent of Linn County to totals		<u>18.86%</u>	<u>19.03%</u>	<u>17.80%</u>	<u>18.29%</u>		<u>19.52%</u>
1996-1997	City	\$ 12.07417	\$ 12.07417	\$ 12.07417	\$ 12.07417		\$ 9.77853
	School District	12.83183	12.66868	14.69172	14.31511		12.83183
	Kirkwood Comm						
	College	0.58862	0.58862	0.58862	0.58862		0.58862
	Assessor	0.23831	0.23831	0.23831	0.23831		0.29674
	County	5.94563	5.94563	5.94563	5.94563		5.94563
	Other (1)	0.03325	0.03325	0.03325	0.03325		0.03325
	Total Levy	<u>\$ 31.71181</u>	<u>\$ 31.54866</u>	<u>\$ 33.57170</u>	<u>\$ 33.19509</u>		<u>\$ 29.47460</u>
Percent of Linn County to totals		<u>18.75%</u>	<u>18.85%</u>	<u>17.71%</u>	<u>17.91%</u>		<u>20.17%</u>

City of Marion						
Cedar Rapids Schools	Marion Schools	Linn-Mar Schools	City of Mount Vernon	City of Center Point	City of Lisbon	City of Robins
\$ 12.60936 13.36995	\$ 12.60936 15.52113	\$ 12.60936 14.30877	\$ 11.88972 14.04749	\$ 10.05331 16.39404	\$ 10.91921 15.47821	\$ 7.60559 13.36995
0.53035	0.53035	0.53035	0.53035	0.53035	0.53035	0.53035
0.30473	0.30473	0.30473	0.30473	0.30473	0.30473	0.30473
6.70659	6.70659	6.70659	6.70659	6.70659	6.70659	6.70659
0.03580	0.03580	0.03580	0.03580	0.03580	0.03580	0.03580
<u>\$ 33.55678</u>	<u>\$ 35.70796</u>	<u>\$ 34.49560</u>	<u>\$ 33.51468</u>	<u>\$ 34.02482</u>	<u>\$ 33.97489</u>	<u>\$ 28.55301</u>
<u>19.99%</u>	<u>18.78%</u>	<u>19.44%</u>	<u>20.01%</u>	<u>19.71%</u>	<u>19.74%</u>	<u>23.49%</u>
\$ 12.95790 13.40785	\$ 12.95790 15.34153	\$ 12.95790 14.42720	\$ 12.10489 14.05414	\$ 10.11676 16.73207	\$ 13.49999 15.17155	\$ 7.66786 13.40785
0.59316	0.59316	0.59316	0.59316	0.59316	0.59316	0.59316
0.30581	0.30581	0.30581	0.30581	0.30581	0.30581	0.30581
6.13757	6.13757	6.13757	6.13757	6.13757	6.13757	6.13757
0.03475	0.03475	0.03475	0.03475	0.03475	0.03475	0.03475
<u>\$ 33.43704</u>	<u>\$ 35.37072</u>	<u>\$ 34.45639</u>	<u>\$ 33.23032</u>	<u>\$ 33.92012</u>	<u>\$ 35.74283</u>	<u>\$ 28.14700</u>
<u>18.36%</u>	<u>17.35%</u>	<u>17.81%</u>	<u>18.47%</u>	<u>18.09%</u>	<u>17.17%</u>	<u>21.81%</u>
\$ 13.10005 12.83183	\$ 13.10005 14.69172	\$ 13.10005 14.31511	\$ 11.86698 13.20770	\$ 10.07431 15.23804	\$ 12.85236 14.17200	\$ 8.81930 12.83183
0.58862	0.58862	0.58862	0.58862	0.58862	0.58862	0.58862
0.29674	0.29674	0.29674	0.29674	0.29674	0.29674	0.29674
5.94563	5.94563	5.94563	5.94563	5.94563	5.94563	5.94563
0.03325	0.03325	0.03325	0.03325	0.03325	0.03325	0.03325
<u>\$ 32.79612</u>	<u>\$ 34.65601</u>	<u>\$ 34.27940</u>	<u>\$ 31.93892</u>	<u>\$ 32.17659</u>	<u>\$ 33.88860</u>	<u>\$ 28.51537</u>
<u>18.13%</u>	<u>17.16%</u>	<u>17.35%</u>	<u>18.62%</u>	<u>18.48%</u>	<u>17.55%</u>	<u>20.85%</u>

(Continued)

COUNTY OF LINN, IOWA

PROPERTY TAX RATES PER \$1,000 TAXABLE VALUATION – ALL DIRECT AND OVERLAPPING
GOVERNMENTS LAST TEN FISCAL YEARS (CONTINUED)

Fiscal Year	Taxing Body	City of Cedar Rapids					City of Hiawatha
		Cedar Rapids Schools	College Community Schools	Marion Schools	Linn-Mar Schools		
1997-1998	City	\$ 12.07416	\$ 12.07416	\$ 12.07416	\$ 12.07416	\$ 10.94417	
	School District	12.50172	12.70714	14.63126	16.05941	12.50172	
	Kirkwood Comm						
	College	0.59506	0.59506	0.59506	0.59506	0.59506	
	Assessor	0.29831	0.29831	0.29831	0.29831	0.29505	
	County	5.61839	5.61839	5.61839	5.61839	5.61839	
	Other (1)	0.03219	0.03219	0.03219	0.03219	0.03219	
	Total Levy	<u>\$ 31.11983</u>	<u>\$ 31.32525</u>	<u>\$ 33.24937</u>	<u>\$ 34.67752</u>	<u>\$ 29.98658</u>	
Percent of Linn County to totals		<u>18.05%</u>	<u>17.94%</u>	<u>16.90%</u>	<u>16.20%</u>	<u>18.74%</u>	
1998-1999	City	\$ 12.32432	\$ 12.32432	\$ 12.32432	\$ 12.32432	\$ 10.34467	
	School District	12.48780	12.96040	17.24456	16.25259	12.48780	
	Kirkwood Comm						
	College	0.56710	0.56710	0.56710	0.56710	0.56710	
	Assessor	0.24225	0.24225	0.24225	0.24225	0.26194	
	County	5.38110	5.38110	5.38110	5.38110	5.38110	
	Other (1)	0.03068	0.03068	0.03068	0.03068	0.03068	
	Total Levy	<u>\$ 31.03325</u>	<u>\$ 31.50585</u>	<u>\$ 35.79001</u>	<u>\$ 34.79804</u>	<u>\$ 29.07329</u>	
Percent of Linn County to totals		<u>17.34%</u>	<u>17.08%</u>	<u>15.04%</u>	<u>15.46%</u>	<u>18.51%</u>	
1999-2000	City	\$ 12.40000	\$ 12.40000	\$ 12.40000	\$ 12.40000	\$ 10.87986	
	School District	11.88387	12.94536	16.71068	15.94591	11.88387	
	Kirkwood Comm						
	College	0.61327	0.61327	0.61327	0.61327	0.61327	
	Assessor	0.28772	0.28772	0.28772	0.28772	0.24999	
	County	5.31110	5.31110	5.31110	5.31110	5.31110	
	Other (1)	0.02955	0.02955	0.02955	0.02955	0.02955	
	Total Levy	<u>\$ 30.52551</u>	<u>\$ 31.58700</u>	<u>\$ 35.35232</u>	<u>\$ 34.58755</u>	<u>\$ 28.96764</u>	
Percent of Linn County to totals		<u>17.40%</u>	<u>16.81%</u>	<u>15.02%</u>	<u>15.36%</u>	<u>18.34%</u>	
2000-2001	City	\$ 12.74497	\$ 12.74497	\$ 12.74497	\$ 12.74497	\$ 10.85444	
	School District	12.40887	12.92737	17.93205	15.93025	12.40887	
	Kirkwood Comm						
	College	0.60724	0.60724	0.60724	0.60724	0.60724	
	Assessor	0.34142	0.34142	0.34142	0.34142	0.23777	
	County	5.31110	5.31110	5.31110	5.31110	5.31110	
	Other (1)	0.02926	0.02926	0.02926	0.02926	0.02926	
	Total Levy	<u>\$ 31.44286</u>	<u>\$ 31.96136</u>	<u>\$ 36.96604</u>	<u>\$ 34.96424</u>	<u>\$ 29.44868</u>	
Percent of Linn County to totals		<u>16.89%</u>	<u>16.62%</u>	<u>14.37%</u>	<u>15.19%</u>	<u>18.04%</u>	

City of Marion						
Cedar Rapids Schools	Marion Schools	Linn-Mar Schools	City of Mount Vernon	City of Center Point	City of Lisbon	City of Robins
\$ 13.16082 12.50172	\$ 13.16082 14.63126	\$ 13.16082 16.05941	\$ 12.63277 13.37497	\$ 9.24586 17.34939	\$ 12.86989 14.24476	\$ 8.96845 12.50172
0.59506	0.59506	0.59506	0.59506	0.59506	0.59506	0.59506
0.29505	0.29505	0.29505	0.29505	0.29505	0.29505	0.29505
5.61839	5.61839	5.61839	5.61839	5.61839	5.61839	5.61839
0.03219	0.03219	0.03219	0.03219	0.03219	0.03219	0.03219
<u>\$ 32.20323</u>	<u>\$ 34.33277</u>	<u>\$ 35.76092</u>	<u>\$ 32.54843</u>	<u>\$ 33.13594</u>	<u>\$ 33.65534</u>	<u>\$ 28.01086</u>
<u>17.45%</u>	<u>16.37%</u>	<u>15.71%</u>	<u>17.26%</u>	<u>16.96%</u>	<u>16.69%</u>	<u>20.06%</u>
\$ 12.46129 12.48780	\$ 12.46129 17.24456	\$ 12.46129 16.25259	\$ 12.63333 13.04683	\$ 9.31854 17.10375	\$ 12.89424 14.82057	\$ 9.00902 12.48780
0.56710	0.56710	0.56710	0.56710	0.56710	0.56710	0.56710
0.26194	0.26194	0.26194	0.26194	0.26194	0.26194	0.26194
5.38110	5.38110	5.38110	5.38110	5.38110	5.38110	5.38110
0.03068	0.03068	0.03068	0.03068	0.03068	0.03068	0.03068
<u>\$ 31.18991</u>	<u>\$ 35.94667</u>	<u>\$ 34.95470</u>	<u>\$ 31.92098</u>	<u>\$ 32.66311</u>	<u>\$ 33.95563</u>	<u>\$ 27.73764</u>
<u>17.25%</u>	<u>14.97%</u>	<u>15.39%</u>	<u>16.86%</u>	<u>16.48%</u>	<u>15.85%</u>	<u>19.40%</u>
\$ 12.39855 11.88387	\$ 12.39855 16.71068	\$ 12.39855 15.94591	\$ 12.63336 12.85178	\$ 9.83413 16.17417	\$ 12.73964 13.95671	\$ 9.04591 11.88387
0.61327	0.61327	0.61327	0.61327	0.61327	0.61327	0.61327
0.24999	0.24999	0.24999	0.24999	0.24999	0.24999	0.24999
5.31110	5.31110	5.31110	5.31110	5.31110	5.31110	5.31110
0.02955	0.02955	0.02955	0.02955	0.02955	0.02955	0.02955
<u>\$ 30.48633</u>	<u>\$ 35.31314</u>	<u>\$ 34.54837</u>	<u>\$ 31.68905</u>	<u>\$ 32.21221</u>	<u>\$ 32.90026</u>	<u>\$ 27.13369</u>
<u>17.42%</u>	<u>15.04%</u>	<u>15.37%</u>	<u>16.76%</u>	<u>16.49%</u>	<u>16.14%</u>	<u>19.57%</u>
\$ 12.75826 12.40887	\$ 12.75826 17.93205	\$ 12.75826 15.93025	\$ 12.98883 13.02780	\$ 9.85935 15.83234	\$ 11.94278 14.38636	\$ 9.04828 12.40887
0.60724	0.60724	0.60724	0.60724	0.60724	0.60724	0.60724
0.23777	0.23777	0.23777	0.23777	0.23777	0.23777	0.23777
5.31110	5.31110	5.31110	5.31110	5.31110	5.31110	5.31110
0.02926	0.02926	0.02926	0.02926	0.02926	0.02926	0.02926
<u>\$ 31.35250</u>	<u>\$ 36.87568</u>	<u>\$ 34.87388</u>	<u>\$ 32.20200</u>	<u>\$ 31.87706</u>	<u>\$ 32.51451</u>	<u>\$ 27.64252</u>
<u>16.94%</u>	<u>14.40%</u>	<u>15.23%</u>	<u>16.49%</u>	<u>16.66%</u>	<u>16.34%</u>	<u>19.21%</u>

(Continued)

COUNTY OF LINN, IOWA

PROPERTY TAX RATES PER \$1,000 TAXABLE VALUATION – ALL DIRECT AND OVERLAPPING
GOVERNMENTS LAST TEN FISCAL YEARS (CONTINUED)

Fiscal Year	Taxing Body	City of Cedar Rapids					City of Hiawatha
		Cedar Rapids Schools	College Community Schools	Marion Schools	Linn-Mar Schools		
2001-2002	City	\$ 13.04000	\$ 13.04000	\$ 13.04000	\$ 13.04000		\$ 10.93415
	School District	12.94707	13.72416	17.96868	16.52524		12.94707
	Kirkwood Comm						
	College	0.60687	0.60687	0.60687	0.60687		0.60687
	Assessor	0.37126	0.37126	0.37126	0.37126		0.23136
	County	5.24684	5.24684	5.24684	5.24684		5.24684
	Other (1)	0.04143	0.04143	0.04143	0.04143		0.04143
	Total Levy	<u>\$ 32.25347</u>	<u>\$ 33.03056</u>	<u>\$ 37.27508</u>	<u>\$ 35.83164</u>		<u>\$ 30.00772</u>
Percent of Linn County to totals		<u>16.27%</u>	<u>15.88%</u>	<u>14.08%</u>	<u>14.64%</u>		<u>17.48%</u>
2002-2003	City	\$ 12.82969	\$ 12.82969	\$ 12.82969	\$ 12.82969		\$ 11.11468
	School District	15.35946	14.39975	15.35946	16.90663		15.35946
	Kirkwood Comm						
	College	0.66634	0.66634	0.66634	0.66634		0.66634
	Assessor	0.35185	0.35185	0.35185	0.35185		0.25234
	County	5.25419	5.25419	5.25419	5.25419		5.25419
	Other (1)	0.04302	0.04302	0.04302	0.04302		0.04302
	Total Levy	<u>\$ 34.50455</u>	<u>\$ 33.54484</u>	<u>\$ 34.50455</u>	<u>\$ 36.05172</u>		<u>\$ 32.69003</u>
Percent of Linn County to totals		<u>15.23%</u>	<u>15.66%</u>	<u>15.23%</u>	<u>14.57%</u>		<u>16.07%</u>
2003-2004	City	\$ 13.06777	\$ 13.06777	\$ 13.06777	\$ 13.06777		\$ 11.31981
	School District	15.36838	14.73088	17.81127	16.89647		15.36838
	Kirkwood Comm						
	College	0.67924	0.67924	0.67924	0.67924		0.67924
	Assessor	0.35361	0.35361	0.35361	0.35361		0.25500
	County	5.31659	5.31659	5.31659	5.31659		5.31659
	Other (1)	0.04302	0.04302	0.04302	0.04302		0.04302
	Total Levy	<u>\$ 34.82861</u>	<u>\$ 34.19111</u>	<u>\$ 37.27150</u>	<u>\$ 36.35670</u>		<u>\$ 32.98204</u>
Percent of Linn County to totals		<u>15.27%</u>	<u>15.55%</u>	<u>14.26%</u>	<u>14.62%</u>		<u>16.12%</u>

(1) County Agricultural Extension and state levy

Included in this report are the major cities and towns within Linn County. Not shown are the Rural Services Fund of the county and the following taxing bodies over and above the cities and towns listed:

- a. 11 cities with a population under 1,800
- b. 19 townships
- c. 7 benefited fire districts

City of Marion						
Cedar Rapids Schools	Marion Schools	Linn-Mar Schools	City of Mount Vernon	City of Center Point	City of Lisbon	City of Robins
\$ 12.78971 12.94707	\$ 12.78971 17.96868	\$ 12.78971 16.52524	\$ 12.99335 14.41244	\$ 10.32609 15.70825	\$ 12.64935 14.05935	\$ 8.61467 12.94707
0.60687	0.60687	0.60687	0.60687	0.60687	0.60687	0.60687
0.23136	0.23136	0.23136	0.23136	0.23136	0.23136	0.23136
5.24684	5.24684	5.24684	5.24684	5.24684	5.24684	5.24684
0.04143	0.04143	0.04143	0.04143	0.04143	0.04143	0.04143
<u>\$ 31.86328</u>	<u>\$ 36.88489</u>	<u>\$ 35.44145</u>	<u>\$ 33.53229</u>	<u>\$ 32.16084</u>	<u>\$ 32.83520</u>	<u>\$ 27.68824</u>
<u>16.47%</u>	<u>14.22%</u>	<u>14.80%</u>	<u>15.65%</u>	<u>16.31%</u>	<u>15.98%</u>	<u>18.95%</u>
\$ 13.25744 15.35946	\$ 13.25744 15.35946	\$ 13.25744 16.90663	\$ 12.99347 14.47556	\$ 9.61047 16.36566	\$ 12.66835 14.21345	\$ 8.58425 15.35946
0.66634	0.66634	0.66634	0.66634	0.66634	0.66634	0.66634
0.25234	0.25234	0.25234	0.25234	0.25234	0.25234	0.25234
5.25419	5.25419	5.25419	5.25419	5.25419	5.25419	5.25419
0.04302	0.04302	0.04302	0.04302	0.04302	0.04302	0.04302
<u>\$ 34.83279</u>	<u>\$ 34.83279</u>	<u>\$ 36.37996</u>	<u>\$ 33.68492</u>	<u>\$ 32.19202</u>	<u>\$ 33.09769</u>	<u>\$ 30.15960</u>
<u>15.08%</u>	<u>15.08%</u>	<u>14.44%</u>	<u>15.60%</u>	<u>16.32%</u>	<u>15.87%</u>	<u>17.42%</u>
\$ 13.46667 15.36838	\$ 13.46667 17.81127	\$ 13.46667 16.89647	\$ 12.99347 15.23657	\$ 9.82809 16.45703	\$ 12.67468 15.80870	\$ 8.55126 15.36838
0.67924	0.67924	0.67924	0.67924	0.67924	0.67924	0.67924
0.25500	0.25500	0.25500	0.25500	0.25500	0.25500	0.25500
5.31659	5.31659	5.31659	5.31659	5.31659	5.31659	5.31659
0.04302	0.04302	0.04302	0.04302	0.04302	0.04302	0.04302
<u>\$ 35.12890</u>	<u>\$ 37.57179</u>	<u>\$ 36.65699</u>	<u>\$ 34.52389</u>	<u>\$ 32.57897</u>	<u>\$ 34.77723</u>	<u>\$ 30.21349</u>
<u>15.13%</u>	<u>14.15%</u>	<u>14.50%</u>	<u>15.40%</u>	<u>16.32%</u>	<u>15.29%</u>	<u>17.60%</u>

COUNTY OF LINN, IOWA

RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE
AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	Estimated Population (2)	Assessed Value	Gross Bonded Debt
1994 - 1995	178,560	\$ 4,897,268,792	\$ 6,190,000
1995 - 1996	180,000	5,041,475,648	6,385,000
1996 - 1997	181,370	5,309,919,002	5,530,000
1997 - 1998	182,240	5,515,367,281	6,915,000
1998 - 1999	183,630	5,841,300,600	3,695,000
1999 - 2000	186,130	6,110,883,184	9,165,000
2000 - 2001	191,701	6,182,241,295	8,310,000
2001 - 2002	196,200	6,387,062,831	7,415,000
2002 - 2003	198,370	6,659,122,189	6,480,000
2003 - 2004	199,090	6,917,674,253	5,510,000

(1) Amount available for repayment of general obligation bonds.

(2) Source: Estimated detail 1994-1995 through 1999-2000 and 2001-2002 through 2003-2004 from
Woods & Poole Economics, Inc. Historical data 2000-2001 from the U.S. Department of Commerce.

Less Debt Service Fund (1)		Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	
\$	217,472	\$ 5,972,528	0.12%	\$	33.45
	190,565	6,194,435	0.12%		34.41
	247,424	5,282,576	0.10%		29.13
	2,348,763	4,566,237	0.08%		25.06
	116,818	3,578,182	0.06%		19.49
	20,029	9,144,971	0.15%		49.13
	94,063	8,215,937	0.13%		42.86
	87,412	7,327,588	0.11%		37.35
	34,733	6,445,267	0.10%		32.49
	27,407	5,482,593	0.08%		27.54

COUNTY OF LINN, IOWA

COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2004

2002 actual valuation of property	\$ 10,421,061,538
Plus: TIF increment	363,744,666
Less: military exemption	<u>(24,665,855)</u>
Actual value for debt limit calculations	10,760,140,349
Multiply by 5%	<u>0.05</u>
Debt limit	538,007,017
Less: outstanding general obligation debt	<u>(5,510,000)</u>
Legal debt margin	<u><u>\$ 532,497,017</u></u>

COUNTY OF LINN, IOWACOMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT – GENERAL OBLIGATION BONDS
JUNE 30, 2004

	Net General Obligation Bonded Debt Outstanding	Percent Applicable to Linn County	Amount Applicable to Linn County
Direct - Linn County	\$ 5,510,000	100.00%	\$ <u>5,510,000</u>
Overlapping:			
School Districts:			
Anamosa	4,470,000	6.46%	288,762
Cedar Rapids	43,025,000	100.00%	43,025,000
Center Point	5,922,000	63.54%	3,762,839
College Community	37,050,000	85.61%	31,718,505
Linn-Mar	37,080,000	100.00%	37,080,000
Marion	5,760,000	100.00%	5,760,000
Monticello	6,670,000	1.80%	120,060
Mount Vernon	8,900,000	96.70%	8,606,300
North Linn	3,295,000	65.73%	2,165,804
Solon	8,915,000	0.64%	57,056
Springville	740,000	100.00%	740,000
Cities:			
Alburnett	575,000	100.00%	575,000
Cedar Rapids	69,461,328	100.00%	69,461,328
Center Point	315,000	100.00%	315,000
Central City	1,176,000	100.00%	1,176,000
Coggon	210,000	100.00%	210,000
Ely	1,340,000	100.00%	1,340,000
Fairfax	1,470,000	100.00%	1,470,000
Hiawatha	7,450,000	100.00%	7,450,000
Lisbon	705,000	100.00%	705,000
Marion	11,240,000	100.00%	11,240,000
Mount Vernon	2,915,000	100.00%	2,915,000
Robins	3,725,000	100.00%	3,725,000
Springville	529,543	100.00%	529,543
Fire Districts - Fire District #4	28,759	100.00%	<u>28,759</u>
Subtotal Overlapping Debt			<u>234,464,956</u>
Total Direct and Overlapping Debt			<u><u>\$ 239,974,956</u></u>

COUNTY OF LINN, IOWA

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BONDED
DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest (2)</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures (1)</u>	<u>Ratio of Debt Service to General Governmental Expenditures</u>
1994 - 1995	\$ 305,000	\$ 213,933	\$ 518,933	\$ 54,095,363	1.0%
1995 - 1996	605,000	377,349	982,349	57,310,674	1.7%
1996 - 1997	855,000	344,005	1,199,005	59,526,309	2.0%
1997 - 1998	915,000	325,471	1,240,471	62,913,378	2.0%
1998 - 1999	965,000	348,673	1,313,673	70,287,903	1.9%
1999 - 2000	1,030,000	422,700	1,452,700	77,322,274	1.9%
2000 - 2001	855,000	400,827	1,255,827	77,931,295	1.6%
2001 - 2002	895,000	361,140	1,256,140	79,634,852	1.6%
2002 - 2003	935,000	320,023	1,255,023	85,384,257	1.5%
2003 - 2004	970,000	281,687	1,251,687	87,821,480	1.4%

(1) Includes general, special revenue, debt service and capital projects funds.

(2) Excludes bond issuance and other costs.

COUNTY OF LINN, IOWA

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Per Capita Income (2)</u>	<u>Median Age (1)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
1994 - 1995	178,560	24,907	34.73	33,518	3.0%
1995 - 1996	180,000	25,447	35.15	33,884	2.5%
1996 - 1997	181,370	26,122	35.52	34,554	2.4%
1997 - 1998	182,240	28,046	35.98	34,906	1.9%
1998 - 1999	183,630	28,791	36.32	35,141	1.9%
1999 - 2000	186,130	29,493	35.23	35,523	1.7%
2000 - 2001	191,701	29,916	35.46	33,826	2.3%
2001 - 2002	196,200	30,150	35.63	34,816	3.8%
2002 - 2003	198,370	30,416	35.76	35,677	4.5%
2003 - 2004	199,090	30,501	35.04	35,875	4.6%

(1) Source: Estimated detail 1994 - 1995 through 1999 - 2000 and 2001 - 2002 through 2003-2004 from Woods & Poole Economics, Inc.

Historical data for 2000 - 2001 from the U.S. Department of Commerce.

(2) Source: Woods & Poole Economics, Inc. Expressed in 1996 dollars.

(3) Source: Grant Wood Area Education Agency.

(4) Source: Iowa Workforce Development.

COUNTY OF LINN, IOWA

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS

Fiscal Year	Property Value*		
	Commercial	Residential	Total
1994 - 1995	\$ 1,863,184	\$ 3,794,512	\$ 5,657,696
1995 - 1996	1,898,122	3,918,120	5,816,242
1996 - 1997	2,158,118	4,543,248	6,701,366
1997 - 1998	2,244,842	4,679,962	6,924,804
1998 - 1999	2,419,883	5,318,656	7,738,539
1999 - 2000	3,050,614	5,472,512	8,523,126
2000 - 2001	3,147,750	5,662,967	8,810,717
2001 - 2002	3,129,149	5,872,121	9,001,270
2002 - 2003	3,283,137	6,763,055	10,046,192
2003 - 2004	3,905,500	6,490,896	10,396,396

* Amounts expressed in thousands.

(1) Source: City of Cedar Rapids Building Safety Department.
Property values are estimated construction costs.

(2) Source: Federal Deposit Insurance Corporation.

New Construction (1)			Remodeling, Repairs and Additions (1)			Bank* Deposits (2)
Number of Permits	Value*		Number of Permits	Value*		
1,867	\$	99,839	5,471	\$	57,494	\$ 2,201,197
1,786		80,103	5,021		51,369	2,286,789
1,802		70,991	5,189		39,861	2,300,435
1,967		98,815	5,177		57,806	2,403,993
2,090		91,129	5,690		51,984	2,244,622
2,112		117,770	5,432		68,605	2,249,682
1,764		100,135	5,067		55,974	2,511,988
1,864		114,719	8,126		62,054	2,606,853
1,652		75,286	5,350		55,248	2,972,042
1,881		96,572	5,137		57,242	3,064,419

COUNTY OF LINN, IOWA

PRINCIPAL TAXPAYERS
JUNE 30, 2004

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation (1)</u>	<u>Percentage of Total Assessed Valuation</u>
Alliant Industries	Utility	\$ 404,529,274	5.85%
ADM Corn Processing	Grain Milling	97,435,210	1.41%
Aegon	Insurance	58,300,085	0.84%
Quest	Utility	52,617,598	0.76%
McLeod USA Inc.	Telecommunications	51,642,863	0.75%
Rockwell International	Electronics Manufacturer	51,316,273	0.74%
HNW Associates (Westdale)	Shopping Mall	50,385,542	0.73%
Lindale Mall	Shopping Mall	40,159,489	0.58%
Weyerhaeuser	Manufacturing	35,730,451	0.52%
Midamerican Energy	Utility	<u>34,436,072</u>	0.50%
Total		<u>\$ 876,552,857</u>	<u>12.67%</u>

(1) As of January 1, 2002

Source: Linn County Auditor's Office

COUNTY OF LINN, IOWA

SALARIES OF PRINCIPAL OFFICIALS
JUNE 30, 2004

Official Title	Name of Official	2003 - 2004 Annual Salary
Board of Supervisors:	Lu Barron	\$ 72,726
	James Houser	72,726
	Linda Langston	72,726
Attorney	Harold Denton	111,060
Auditor	Linda Langenberg	72,726
Recorder	Joan McCalmant	72,726
Sheriff	Donald Zeller	90,516
Treasurer	Michael Stevenson	72,726
Administrative Services Director	Mike Goldberg	67,013
Budget Director	Dawn Jindrich	78,472
Community Services Director	John Brandt	87,139
Conservation Director	Dan Biechler	83,968
Employment Relations Manager	Trude Elliott	73,475
Engineer	Steve Gannon	90,639
Financial Director	Steve Tucker	84,930
Health Department Director	Keith Erickson	86,676
LIFTS Director	Ron Herdliska	58,587
MIS Director	Dean Ernst	84,657
Planning and Development Director	Les Beck	75,499
Risk Manager	Robin Foubert	67,813
Veterans Affairs Director	Don Tyne	50,026

COUNTY OF LINN, IOWA
 MISCELLANEOUS STATISTICS
 JUNE 30, 2004

Date of Incorporation		1839
Form of Government		County Board
Number of employees		811
Area in square miles		726
Miles of roads and streets:		
Interstate highways	28	
State highways	110	
County roads	1,175	
City streets	<u>810</u>	2,123
Farming acres		361,354
Number of farms		2,668
Schools within the County:		
Public schools (1):		
Elementary schools		44
Middle schools		14
High schools		14
Total enrollment		32,857
Private schools (1):		
Elementary schools		8
Middle schools		2
High schools		1
Total enrollment		3,018
Higher education (enrollment):		
1 junior college		15,032
3 colleges		3,934
Recreation		
Parks:		
State parks		2
Number of acres		1,821
County parks		19
Number of acres		5,267
City parks		114
Number of acres		4,432
Golf courses:		
Private		6
Public		4
State wildlife preserve acres		330
Number of lakes		1
Number of swimming pools		8
Number of zoos		1
Public safety:		
County sheriff department		1
City police department		7
Fire department:		
Full time		2
Volunteer		19
Rescue squad		4
Elections:		
Last general election:		
Registered voters		145,523
Votes cast		111,110
Percent		76.35
Last municipal election:		
Registered voters		83,838
Votes cast		36,437
Percent		43.46

(1) Number of schools refers to the number serving specific grades, not the total number of buildings.
 Source: Grant Wood Area Education Agency.